

Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky

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PUBLIC SERVICE
COMMISSION

Rates, Terms and Conditions for Furnishing

ELECTRIC SERVICE

In seventy-seven counties in the State of Kentucky
as depicted on territorial maps as filed with the

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**

Date of Issue
July 20, 2004

Date Effective
With Service Rendered
On and After
July 1, 2004

Issued by
Michael S. Beer, Vice President

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

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Date of Issue: May 26, 2006
Canceling Tenth Revision of
Original Sheet No. 1
Issued March 31, 2006

Issued By

Date Effective: June 30, 2006



John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/30/2006
PURSUANT TO 807 KAR 5:011



Executive Director

GENERAL INDEX

Standard Electric Rate Schedules – Terms and Conditions

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE

RS

Residential Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for single phase, single family residential service subject to the terms and conditions on Sheet No. 85 of this Tariff. Three phase service under this rate schedule is restricted to those customers being billed on this rate schedule as of its effective date of July 1, 2004.

RATE

Customer Charge: \$5.00 per month

Plus an Energy Charge of:
4.720 cents per KWH

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
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School Tax	Sheet No. 77
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MINIMUM CHARGE

The Customer Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.


TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: June 8, 2005
Canceling First Revision of
Original Sheet No. 5
Issued October 7, 2004

Issued By



John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Date Effective: With Bills Rendered
On and After
5, 2005

By



Executive Director

ELECTRIC RATE SCHEDULE **VFD** **Volunteer Fire Department Service**

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. It is optional with the customer whether service will be provided under this schedule or any other schedule applicable to this load.

DEFINITION

To be eligible for this rate a volunteer fire department is defined as:

- 1) having at least 12 members and a chief,
- 2) having at least one fire fighting apparatus, and
- 3) more than half the members must be volunteer.

RATE

Customer Charge: \$5.00 per month

Plus an Energy Charge of:
4.720 cents per KWH

MINIMUM CHARGE

The Customer Charge shall be the minimum charge.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider,	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011
SECTION 9.11

Date of Issue: June 8, 2005
Canceling Original Sheet No. 6
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005


John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky


Executive Director

ELECTRIC RATE SCHEDULE GS

General Service Rate

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To general lighting and small power loads for secondary service. It is optional with the customer whether service will be billed under this schedule or any other schedule applicable to this load. Customers executing a one year contract under this schedule will continue to be billed under such schedule for not less than 12 consecutive months unless there shall be a material and permanent change in the customer's use of service.

Service under this schedule will be limited to maximum loads not exceeding 500 KW. Service to existing customers with a maximum load exceeding 500 KW is restricted to those customers being billed under the rate schedule as of its effective date of July 1, 2004. New customers, upon demonstrating an average demand of 500 KW or greater, will be served under the appropriate rate schedule.

RATE

Customer Charge: \$10.00 per month

Plus an Energy Charge of:
5.643 cents per KWH

PRIMARY DISCOUNT

A 5% Primary Discount will be applied to the bill, including the minimum charge, of any primary or voltage delivery customer who has a demand of 50 kilowatts or more during the billing period. This discount does not apply to fuel clause revenue. Primary service under this rate schedule is restricted to those customers being billed under the rate schedule as of its effective date of July 1, 2004.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause
Demand-Side Management Surcharge
Environmental Cost Recovery Surcharge
Merger Surcredit Rider
Value Delivery Surcredit Rider
Franchise Fee Rider
School Tax

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**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011**

Date of Issue: June 8, 2005
Canceling Original Sheet No. 10
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE

GS

General Service Rate

MINIMUM CHARGE

Service under this schedule is subject to a minimum of the greater of (a) \$10.00 per month to include the first 20 KW or less of capacity, or (b) \$10.00 per month, plus \$1.64 per KW for demand in excess of 20 KW, which shall be determined from the greater of (1), (2), (3), or (4) as follows:

- (1) The maximum demand registered in the current month.
- (2) 75% of the highest monthly maximum demand registered in the preceding 11 months.
- (3) The contract capacity, based on the expected maximum KW demand upon the system.
- (4) 60% of the KW capacity of facilities specified by the customer.

Minimum charge under (a) above shall be billed on a monthly basis. Minimum charge under (b) above shall be billed on a cumulative annual basis that starts on the month in which the meter was installed or service was first taken under this schedule. This is the beginning date of the contract year. Payments to be made monthly of not less than 1/12 of the annual minimum until the aggregate payments during the contract year equal the annual minimum. However, minimum payments made in excess of the amount based on the rate schedule will be applied as a credit on billings for energy used during the contract year.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERM OF CONTRACT

For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
On and After
1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE

A.E.S.

All Electric School

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rate is available where energy requirement for (1) a complex of school buildings on a central campus, (2) an individual school building, or (3) an addition to an existing school building is served electrically by Kentucky Utilities Company; such energy requirement to include, but not be limited to, lighting, heating, cooling and water heating. Other school buildings not so receiving every energy requirement electrically shall be separately metered from the above defined service and served under another appropriate applicable rate. At those locations where the school owns its distribution system and makes the service connections therefrom to the various buildings and/or load centers, the Company shall be given the option of providing service by use of the existing Customer owned distribution system, or of constructing its own facilities in accordance with the Company's Overhead Construction Standards. In any event, the Company's investment in construction may be limited to an amount not exceeding twice the estimated annual revenue from the service so connected. If the Customer desires, he will be allowed to make a contribution for the remaining requirement, so as to receive service under this schedule.

School buildings, as referred to herein, shall be defined as buildings used as classrooms, laboratories, gymnasiums, libraries, cafeterias, school related offices or for other bona fide school purposes by duly constituted school authorities of Kentucky. This Rate Schedule is not available to include buildings of privately operated kindergartens or day care centers.

Other fuels may be used as incidental to and for instructional laboratory and other miscellaneous purposes without affecting the availability of this rate.

RATE

All kilowatt-hours: 4.543¢ per KWH.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause
Environmental Cost Recovery Surcharge
Merger Surcredit Rider
Value Delivery Surcredit Rider
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School Tax

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011

Date of Issue: June 8, 2005
Canceling Original Sheet No. 15
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE

A.E.S.

All Electric School

MINIMUM CHARGE

An Annual Minimum Charge of \$19.56 per KW for all connected equipment, except air-conditioning and other individual equipment of one KW or less, but not less than \$196.11 per year. Payments to be made monthly of not less than 1/12 of the annual minimum until the aggregate payments during the contract year equal the annual minimum. However, minimum payments made in excess of the amount bases on the rate schedule will be applied as a credit on billings for energy used during the contract year.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011

Date of Issue: July 20, 2004

Issued By

Date Effective: May 1, 2003

Refiled: July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE LP Large Power Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rate schedule is available for secondary, primary or available transmission line service on an annual basis for lighting and/or heating and/or power.

It is optional with the customer whether service will be billed under this schedule for the entire requirements, or under various other schedules applicable to the various services. The customer having selected this schedule will continue to be billed under it for not less than 12 consecutive months, unless there should be a material and permanent change in the customer's service.

Service under this schedule will be limited to minimum average secondary loads of 200 KW and maximum average loads not exceeding 5,000 KW.

Customers with average single phase loads less than 200KW receiving service under this rate schedule as of July 1, 2004, will continue to be served under this rate schedule.

RATE

Customer Charge: \$75.00 per month

Maximum Load Charge:

Secondary Service

\$6.65 per kilowatt of the maximum load in the month.

Primary Service

\$6.26 per kilowatt of the maximum load in the month

Transmission Service

\$5.92 per kilowatt of the maximum load in the month

Plus an Energy Charge of:

2.516 cents per KWH

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause
Demand-Side Management Surcharge
Environmental Cost Recovery Surcharge
Merger Surcredit Rider
Value Delivery Surcredit Rider
Franchise Fee Rider
School Tax
Program Cost Recovery Mechanism

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005

PURSUANT TO 807 KAR 5:011

Date of Issue: June 8, 2005
Canceling Original Sheet No. 20
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
5, 2005

John R. McCall, Executive Vice Pres.
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE**LP****Large Power Service****DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent of the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD).

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

MINIMUM ANNUAL CHARGE

Service under this schedule is subject to an annual minimum of \$79.80 per kilowatt for secondary delivery, \$75.12 per kilowatt for primary delivery and \$71.04 per kilowatt for transmission delivery for each yearly period based on the greater of (a), (b), (c), (d), or (e) as follows:

- (a) The highest monthly maximum load during such yearly period.
- (b) The contract capacity, based on the expected maximum KW demand upon the system.
- (c) 60 percent of the KW capacity of facilities specified by the customer.
- (d) Secondary delivery, \$798.00 per year; Primary delivery, \$1,878.00 per year; Transmission delivery, \$3,552.00 per year.
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year. A new customer or an existing customer having made a permanent change in the operation of electrical equipment that materially affects the use in kilowatt-hours and/or use in kilowatts of maximum load will be given an opportunity to determine new service requirements in order to select the most favorable contract year period and rate applicable.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERM OF CONTRACT

For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE**

**01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9(1)**

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
On and After
1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE**LCI-TOD****Large Commercial/Industrial Time-of-Day Service****APPLICABLE**

In all territory served

AVAILABILITY OF SERVICE

Available to, and mandatory for, all customers served primary or transmission voltage, with an average demand of 5,000 kilowatts or greater, subject to the following guidelines:

- (1) Customers being served on this rate whose average demand have subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion.
- (2) It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualification to be served on this rate.
- (3) Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. Customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics.

RATE

Customer Charge: \$120.00 per month

Maximum Load Charge:	Primary	Transmission
On-Peak Demand	\$4.58 per KW	\$4.39 per KW
Off-Peak Demand	\$.73 per KW	\$.73 per KW

Energy Charge: 2.516 cents per KWH

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause
Demand-Side Management Surcharge
Environmental Cost Recovery Surcharge
Merger Surcredit Rider
Value Delivery Surcredit Rider
Franchise Fee Rider
School Tax

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PUBLIC SERVICE COMMISSION**OF KENTUCKY****EFFECTIVE****7/5/2005****PURSUANT TO 807 KAR 5:011**

Date of Issue: June 8, 2005
Canceling Original Sheet No. 25
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE**LCI-TOD****Large Commercial/Industrial Time-of- Day Service****DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

RATING PERIODS

The rating periods applicable to the Maximum Load charges shall be as follows:

On-Peak Period during Summer Billing Months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time, throughout the Company's service area

On-Peak Period during Winter Billing Months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time, throughout the Company's service area.

Off-Peak Period – All hours Monday through Friday not included above, plus all hours of Saturday and Sunday.

MINIMUM ANNUAL CHARGE

Service under this schedule is subject to an annual minimum of \$54.96 per kilowatt for primary and \$52.68 per kilowatt for transmission on-peak delivery for each yearly period based on the greater of (a), (b), (c), (d) or (e), as follows:

- The highest monthly on-peak maximum load during such yearly period.
- The contract capacity, based on the expected on-peak maximum KW demand upon the system.
- Sixty percent of the KW capacity of facilities specified by the customer.
- Primary delivery, \$274,800 per year; transmission delivery \$263,400 per year.
- Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year.

DUE DATE OF BILL: Customer's payment will be due within 10 days from date of bill

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011**

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
On and After
1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE

LCI-TOD

Large Commercial/Industrial Time-of-Day Service

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.

TERMS AND CONDITIONS

The customer, in order to earn the Primary or Transmission Service Rate must own and maintain or lease, at the Company's option, all transformers and other facilities necessary to take service at the Primary or Transmission voltage delivered.

Service will be furnished under the Company's Terms and Conditions applicable hereto.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
On and After October 31, 2004
July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE MP Coal Mining Power Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is for primary or transmission line service, where available, for the operation of coal mines, coal cleaning, processing or other related operations incidental to such operation, where the customer reserves not less than 50 kilowatts of capacity.

Service under this schedule will be limited to maximum loads not exceeding 5,000 KW. Existing customers who demonstrate an average demand of 5,000 KW or greater over a 12-month period, or new customers upon demonstrating an average demand of 5,000 KW or greater, will be served under Rate Schedule LMP-TOD.

RATE

Customer Charge: \$75.00 per month

Maximum Load Charge:

Primary Service at nominal voltage of 2,400 or more shall be \$4.69 per kilowatt of the maximum load in the month.

Transmission Line Service at nominal voltage of 34,500 or more shall be \$4.57 per kilowatt of the maximum load in the month.

Plus an Energy Charge of:

2.716 cents per KWH

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause
Environmental Cost Recovery Surcharge
Merger Surcredit Rider
Value Delivery Surcredit Rider
Franchise Fee Rider
School Tax

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MINIMUM ANNUAL CHARGE

Not less than the greater of (a), (b) or (c) as follows:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011

Date of Issue: June 8, 2005
Canceling Original Sheet No. 30
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice Pres
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE**MP****Coal Mining Power Service**

- (a) \$56.28 for primary delivery and \$54.84 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application.
- (b) \$56.28 per kilowatt for primary delivery or \$54.84 per kilowatt for transmission delivery, for each yearly period based on highest monthly maximum load during such yearly period.
- (c) No less than an amount to be determined by any special investment required to serve.

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90% of the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90% in accordance with the following formula:

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

MONTHLY PAYMENTS

Each bill shall be computed at the Maximum Load and Energy Charge set forth, however, in no event shall the aggregate payments at the end of any month during the contract year, including the current month's bill, be less than the sum obtained by multiplying the number of months elapsed during the contract year by 1/12 of the annual minimum set forth. During subsequent months should the sum of the computed bills be less than the aggregate payments made, and greater than the minimum payments set forth above, adjustment shall be made on the basis of the sum of the computed bills, provided such adjustment shall not reduce the aggregate payments below the minimum payments set forth above.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

POWER FACTOR CLAUSE

All the customer's apparatus shall be selected and used with reference to securing the highest practicable power factor. The Company shall have the right at all times to make an examination of the installation of motors and other apparatus of the customer and it may refuse to make connection or to give service unless the installation is in proper condition to receive and is operated in such manner as to utilize safely and efficiently the energy furnished by the Company. The customer shall not make any changes in his installation which will affect the operation of the Company's system without the consent of the Company.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
On and After
1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE MP
Coal Mining Power Service

The Company undertakes to supply the energy called for by this agreement at a power factor of approximately unity, but it will permit under the prescribed rates the use of apparatus which shall furnish during normal operation an average power factor not lower than 90% either lagging or leading, in the accepted technical meaning of these terms.

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to the expiration date.

TERMS AND CONDITIONS

Customer must own and maintain or lease all transformers and other facilities necessary to take service at the delivered voltage.

Service will be furnished under Company's Terms and Conditions and under executed Contract for Electric Service.

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**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011**

Date of Issue: July 20, 2004

Issued By

**Date Effective: March 1, 2000
Refiled: July 20, 2004**


**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE**LMP-TOD****Large Mine Power Time-of-Day Rate****APPLICABLE**

In all territory served

AVAILABILITY OF SERVICE

Available to, and mandatory for, all mine power service customers served on primary or transmission voltage, with demands of 5,000 kilowatts or greater, subject to the following guidelines:

- (1) Mine power service under this rate is restricted to coal mining, coal cleaning, coal processing or other related operation and for power, lighting and/or heating incidental to such operation.
- (2) Customers being served on this rate whose average demands have subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion.
- (3) It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualifications to be served on this rate.
- (4) Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. Customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics.

RATE

Customer Charge: \$120.00 per month

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand	\$5.39	\$4.85
Off-Peak Demand	\$.73	\$.73

Energy Charge: 2.316 cents per KWH

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula:
(BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 95\%}{\text{Power Factor (in percent)}}$$

Date of Issue: June 8, 2005
Canceling Original Sheet No. 35
Issued July 20, 2004

Issued By

Date Effective With Bills Rendered
On and After
5, 2005

John R. McCall, Executive Vice Pres
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011

ELECTRIC RATE SCHEDULE**LMP-TOD****Large Mine Power Time-of-Day Rate****RATING PERIODS**

The rating periods applicable to the Maximum Load charges shall be as follows:

On-Peak Period during Summer Billing Months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time, throughout the Company's service area.

On-Peak Period during Winter Billing Months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time, throughout the Company's service area.

Off-Peak Period – All hours Monday through Friday not included above, plus all hours of Saturday and Sunday.

MINIMUM ANNUAL CHARGE

Not less than the greater of (a), (b), or (c) as follows:

- (a) \$64.68 for primary delivery and \$58.20 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application, based on not less than 5,000 KW.
- (b) \$64.68 per kilowatt for primary delivery and \$58.20 per kilowatt for transmission delivery, for each yearly period based on the highest monthly on-peak maximum load during such yearly period.
- (c) Not less than an amount to be determined by any special investment required to serve.

MONTHLY PAYMENTS

Each monthly bill shall be computed at the Maximum Load and Energy Charge set forth, however, in no event shall the aggregate payments at the end of any month during the contract year, including the current month's bill, be less than the sum obtained by multiplying the number of months elapsed during the contract year by 1/12 of the annual minimum set forth. During subsequent months, should the sum of the computed bills be less than the aggregate payments made, and greater than the minimum payments set forth above, adjustment shall be made on the basis of the sum of the computed bills, provided such adjustment shall not reduce the aggregate payments below the minimum payments set forth above.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

POWER FACTOR CLAUSE

All of the customer's apparatus shall be selected and used with reference to securing the highest practicable power factor. The Company shall have the right at all times to make an examination of the installation of motors and other apparatus of the customer and it may refuse to make connection or to give service unless the installation is in proper condition to receive and is operated in such manner as to utilize safely and efficiently the energy furnished by the Company. The customer shall not make any changes in his installation which will affect the operation of the Company's system without the consent of the Company.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE**LMP-TOD****Large Mine Power Time-of-Day Rate**

The Company undertakes to supply the energy called for by this agreement at a power factor of approximately unity, but it will permit under the prescribed rates the use of apparatus which shall furnish during normal operation an average power factor not lower than 90 percent either lagging or leading, in the accepted technical meaning of these terms.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.

TERMS AND CONDITIONS

Customer must own and maintain or, at Company's option, lease all transformers and other facilities necessary to take service at the delivered voltage.

Service will be furnished under Company's Terms and Conditions, and under executed contract for electric service

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011**

Date of Issue: June 8, 2005
Canceling Original Sheet No. 35.2
Issued July 20, 2004

Issued By

Date Effective June 2, 2005


By 
John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

ELECTRIC RATE SCHEDULE**LI-TOD****Large Industrial Time-of-Day Service****APPLICABLE**

In all territory served.

AVAILABILITY OF SERVICE

Available for three-phase delivery to customers up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the LI-TOD schedule of Louisville Gas and Electric Company. This schedule is restricted to individual customers whose monthly demand is twenty (20) MVA or greater. A customer is defined as large industrial time-of-day if that customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all customers whose load is defined as large industrial time-of-day and not served on another standard rate schedule as of the effective date this rate schedule is approved by the Public Service Commission of Kentucky. Existing customers as of the effective date of this rate schedule, April 1, 2004, shall have the first option to the available capacity under this rate schedule by signing a contract for firm service by March 1, 2005, which commits to billing for demand related charges by July 1, 2006.

BASE RATE

Customer Charge: \$120.00 per month

	<u>Primary</u>	<u>Transmission</u>
Energy Charge of:		
Per monthly billing period	\$0.02516 per kWh	\$0.02516 per kWh
Plus a Demand Charge of:		
Per monthly billing period		
Standard Load Charges:		
On-Peak	\$4.58 per KVA	\$4.39 per KVA
Off-Peak	\$0.73 per KVA	\$0.73 per KVA

Where the monthly Standard On-Peak billing and Off-Peak billing are the greater of the applicable charge per KVA times:

- the maximum metered standard demand, as measured over a fifteen (15) minute interval, for each peak period in the monthly billing period,
- 60% of the maximum metered standard demand, as determined in (a) above, for each peak period in the preceding eleven (11) monthly billing periods,
- 60% of the contract capacity based on the expected maximum demand upon the system, or
- minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Plus Fluctuating Load Charges:

On-Peak	\$2.29 per KVA	\$2.29 per KVA
Off-Peak	\$0.37 per KVA	\$0.37 per KVA

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OF KENTUCKY**

**EFFECTIVE
7/5/2005**

PURSUANT TO 807 KAR 5:011

Date of Issue: June 8, 2005
Canceling Original Sheet No. 38
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE

LI-TOD

Large Industrial Time-of-Day Service

Where the monthly Fluctuating On-Peak billing and Off-Peak billing are the greater of the applicable charge per KVA times:

- (e) the maximum metered fluctuating demand, as measured over a five (5) minute interval, for each peak period less the maximum metered standard demand for that peak period in the monthly billing period, or
- (f) 60% of the billed fluctuating demand, as determined in (e) above, for each peak period in the preceding eleven (11) monthly billing periods.

RATING PERIODS

The rating periods applicable to the peak load charges shall be as follows:

The On-Peak Period during the four consecutive summer billing months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time (EST), year round, throughout the Company's service territory.

The On-Peak Period during the eight consecutive winter billing months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time (EST), year round, throughout the Company's service territory.

The Off-Peak Period shall consist of all other hours.

MINIMUM CHARGE

The minimum charge will be the Demand Charge. Without limiting the foregoing, the Demand Charge shall be due regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including but without limitation any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) the Company's ability to serve customer.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause
Environmental Cost Recovery Surcharge
Merger Surcredit Rider
Value Delivery Surcredit Rider
Franchise Fee Rider
School Tax

Sheet No. 70
Sheet No. 72
Sheet No. 73
Sheet No. 75
Sheet No. 76
Sheet No. 77

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011
SECTION 9(1)

Date of Issue: June 8, 2005
canceling Original Sheet No. 38.1
Issued July 20, 2004

Issued By

Date Effective: June 2, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

ELECTRIC RATE SCHEDULE**LI-TOD****Large Industrial Time-of-Day Load Service**

N

TERM OF CONTRACT

Unless terminated by mutual agreement, the initial term of contract for service shall be for a fixed term of five years with successive one year term renewal until canceled by either party giving at least 1 year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable.

PROTECTION OF SERVICE

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by the Company in its reasonable discretion, the Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by the Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by the Company. Without limiting the foregoing, the Company may require such equipment if, at any time, the megavars, harmonics, and other undesirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of the Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of the Company or others, and the Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:056, Section 14(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. The Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by the Company, Customer shall provide all available information to the Company that aids the Company in enforcing its service standards. If the Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, the Company may engage such experts and/or consultants as the Company shall determine are appropriate to advise the Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA

Company reserves the right to interrupt up to 95% of Customer's load to facilitate Company compliance with system contingencies and with industry performance criteria. Customer will permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours, if any, under the CURTAILMENT SERVICE RIDER 3. Company's right to interrupt under this provision is restricted to responses to unplanned outage or de-rates of LG&E Energy LLC System (LEC System) owned or purchased generation or when Automatic Reserve Sharing is involved with ECAR or an ISO/TRO. LEC System, as used herein, shall consist of KU and LG&E. At customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period.

PUBLIC SERVICE COMMISSION

OF KENTUCKY

07/01/2004

PURSUANT TO 807 KAR 5:011

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
On and After
2004

Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE**LI-TOD****Large Industrial Time-of-Day Load Service****N****LIABILITY**

In no event shall the Company have any liability to the Customer or any other party affected by the electrical service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of the Company's service causes damage to the Company's property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold the Company harmless from any and all suits, claims, losses, and expenses associated therewith.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011**

Date of Issue: July 20, 2004**Issued By****Date Effective: With Service Rendered
On and After
, 2004**


**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE**ST. LT.****Street Lighting Service****AVAILABILITY OF SERVICE**

This rate schedule is available, for the various types of street lighting services shown herein, in any community in which the Company has an electric franchise. Service is subject to the provisions herein and the provisions of the Company's standard contract for street lighting service. Should the service not meet these standard provisions, then the Company reserves the right to revise the charges listed hereinafter so as to include any additional or unusual cost involved.

STANDARD/ORNAMENTAL SERVICE

1. **STANDARD OVERHEAD SYSTEM:** Street lighting equipment furnished under the Standard Overhead Rate shall consist of wood poles, brackets, appropriate fixtures for the lamps being used, the necessary overhead street lighting circuit, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including circuits, lighting fixtures and lamp replacements. The Customer shall pay the Standard Overhead Rate.
2. **ORNAMENTAL OVERHEAD SYSTEM:** The Company will, upon request, furnish under the Ornamental Overhead Rate, ornamental poles of the Company's choosing, together with overhead wiring and all other equipment and provisions mentioned in 2 above. The Customer will pay the Ornamental Overhead Rate.
3. **OTHER THAN CONVENTIONAL OVERHEAD SYSTEMS:** Should the Customer require, either initially or upon replacement, a system or equipment other than that described in 2 or 3 above for lamp sizes as provided herein, (this constituting a conventional overhead system) the Customer may make a non-refundable contribution to the Company equal to the difference in the installed cost between the system or equipment so required and the cost of a conventional overhead system as hereinbefore defined. In a similar manner the Customer will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a conventional Overhead System. Any installation costs which are to be borne by the Customer, should be paid at the time of installation.

RATE

	<u>LOAD/LIGHT</u>	<u>RATE PER LIGHT PER MONTH</u>	
		<u>STANDARD</u>	<u>ORNAMENTAL</u>
*INCANDESCENT			
1,000 Lumens (approximately)	.102 KW/Light	\$ 2.37	\$ 3.02
2,500 " "	.201 KW/Light	2.96	3.76
4,000 " "	.327 KW/Light	4.28	5.22
6,000 " "	.447 KW/Light	5.71	6.76
**MERCURY VAPOR			
7,000 Lumens (approximately)	.207 KW/Light	\$ 6.85	9.11
10,000 " "	.294 KW/Light	7.95	9.96
20,000 " "	.453 KW/Light	9.46	11.07
HIGH PRESSURE SODIUM			
4,000 Lumens (approximately)	.060 KW/Light	\$ 5.06	\$ 7.68
5,800 " "	.083 KW/Light	5.52	8.13
9,500 " "	.117 KW/Light	6.23	9.04
22,000 " "	.242 KW/Light	12.21	17.85
50,000 " "	.485 KW/Light	15.06	17.85

NOTE: *Incandescent restricted to those fixtures in service on October 12, 1982 (Except for spot replacement)

**Mercury Vapor restricted to those fixtures in service on February 1, 2004 (Except for spot replacement)

Date of Issue: June 8, 2005
Canceling Original Sheet No. 40
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00405 dated May 24, 2005

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011
SECTION 9(1)

ELECTRIC RATE SCHEDULE**ST. LT.****Street Lighting Service****DECORATIVE UNDERGROUND SERVICE**

1. **FURNISHED EQUIPMENT:** Street lighting equipment furnished hereunder shall consist of appropriate size decorative poles and fixtures for the lamps being used, the necessary underground conductor, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including conductor, decorative poles, fixtures and lamp replacements. The Customer shall pay the rate as shown plus, at the time of installation, pay to the Company the amount to cover the additional cost of underground over the equivalent overhead street lighting circuitry.
2. **STORAGE PROVISION FOR GRAN VILLE LIGHT AND ACCESSORIES:** If the Company provides storage for the fixture, poles and/or the accessories, an adder of 12.50% will apply to the monthly rate per light.

RATE**HIGH PRESSURE SODIUM (HPS)**

Type Of Pole & Fixture	Lumen Output (Approximate)	Load/Light In KW	Monthly Rate Per Light
Acorn (Decorative Pole)	4,000	0.060	\$10.46
Acorn (Historic Pole)	4,000	0.060	\$16.38
Acorn (Decorative Pole)	5,800	0.083	\$11.03
Acorn (Historic Pole)	5,800	0.083	\$16.94
Acorn (Decorative Pole)	9,500	0.117	\$11.73
Acorn (Historic Pole)	9,500	0.117	\$17.65
Colonial	4,000	0.060	\$ 6.92
Colonial	5,800	0.083	\$ 7.39
Colonial	9,500	0.117	\$ 8.02
Coach	5,800	0.083	\$25.16
Coach	9,500	0.117	\$25.85
Contemporary	5,800	0.083	\$12.69
Contemporary	9,500	0.117	\$15.13
Contemporary	22,000	0.242	\$17.66
Contemporary	50,000	0.485	\$23.04
Gran Ville	16,000	0.150	\$38.44
Gran Ville Accessories:			
* Single Crossarm Bracket			\$16.28
Twin Crossarm Bracket			\$18.12
24 Inch Banner Arm			\$ 2.82
24 Inch Clamp Banner Arm			\$ 3.90
18 Inch Banner Arm			\$ 2.60
Flagpole Holder			\$ 1.20
Post-Mounted Receptacle			\$16.90
Base-Mounted Receptacle			\$16.31
** Additional Receptacles			\$ 2.31
Planter			\$ 3.00

* For Existing Poles Only

** For 2 Receptacles on Same Pole

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011**

Date of Issue: June 8, 2005
Canceling Original Sheet No. 40.1
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00405 dated May 24, 2005

ELECTRIC RATE SCHEDULE

ST. LT.

Street Lighting Service

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

DETERMINATION OF ENERGY CONSUMPTION

The kilowatt-hours will be determined as set forth on Sheet No. 53 of this Tariff.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: June 8, 2005
Canceling Original Sheet No. 40.2
Issued July 20, 2004

Issued By

Date Effective: June 2, 2005


John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky


Executive Director

Kentucky Utilities Company

First Revision of Original Sheet No. 41
P.S.C. No. 13

ELECTRIC RATE SCHEDULE

P.O. LT.

Private Outdoor Lighting

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this schedule is offered, under the conditions set out hereinafter, for lighting applications on private property such as, but not limited to, residential, commercial and industrial plant site or parking lot, other commercial area lighting, etc. to Customers now receiving electric service from the Company at the same location. Service will be provided under written contract signed by Customer prior to service commencing, when facilities are required other than fixture(s).

RATE

STANDARD (SERVED OVERHEAD)

TYPE LIGHT	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Open Bottom Mercury Vapor	7,000**	.297	\$ 7.83
Cobra Mercury Vapor	20,000**	.453	\$ 9.46
Open Bottom High Pressure Sodium	5,800	.083	\$ 4.42
Open Bottom High Pressure Sodium	9,500	.117	\$ 5.06
Cobra High Pressure Sodium	22,000	.242	\$ 9.28
Cobra High Pressure Sodium	50,000	.485	\$15.06

DIRECTIONAL (SERVED OVERHEAD)

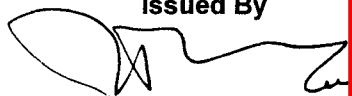
TYPE LIGHT	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Directional High Pressure Sodium	9,500	.117	\$ 6.10
Directional High Pressure Sodium	22,000	.242	\$ 8.73
Directional High Pressure Sodium	50,000	.485	\$13.41

The Company will furnish a complete standard or directional fixture with appropriate mast arm on existing poles with available secondary voltage of 120/240.

Where the location of existing poles are not suitable or where there are no existing poles for mounting of lights, and the Customer requests service under these conditions, the Company may furnish the required facilities at an additional charge per month to be determined by the Company. These additional charges are subject to change by Company upon 30 days prior written notice.

Date of Issue: June 8, 2005
Canceling Original Sheet No. 41
Issued July 20, 2004

Issued By



John R. McCall, Executive Vice Pres.
General Counsel, and Corporate Secretary
Louisville, Kentucky

Date Effective: With Bills Rendered
On and After
July 5, 2005

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

PUBLIC SERVICE COMMISSION

OFFICE OF THE SECRETARY

7/5/2005

PURSUANT TO 807 KAR 5:011

ELECTRIC RATE SCHEDULE**P.O. LT.****Private Outdoor Lighting**

All facilities required by Company will be standard stocked material. When underground facilities are requested and the Company agrees to underground service, the Customer will be responsible for ditching and back-filling and seeding and/or repaving as necessary, and provide, own and maintain all conduit.

METAL HALIDE COMMERCIAL AND INDUSTRIAL LIGHTING

TYPE POLE AND FIXTURE	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Directional Fixture Only	12,000	0.207	\$ 9.05
Directional Fixture With Wood Pole	12,000	0.207	\$11.01
Directional Fixture With Metal Pole	12,000	0.207	\$17.42
Directional Fixture Only	32,000	0.450	\$12.71
Directional Fixture With Wood Pole	32,000	0.450	\$14.68
Directional Fixture With Metal Pole	32,000	0.450	\$21.08
Directional Fixture Only	107,800	1.080	\$26.42
Directional Fixture With Wood Pole	107,800	1.080	\$29.15
Directional Fixture With Metal Pole	107,800	1.080	\$34.79
Contemporary Fixture Only	12,000	0.207	\$10.14
Contemporary Fixture With Metal Pole	12,000	0.207	\$18.52
Contemporary Fixture Only	32,000	0.450	\$14.25
Contemporary Fixture With Metal Pole	32,000	0.450	\$22.61
Contemporary Fixture Only	107,800	1.080	\$28.96
Contemporary Fixture With Metal Pole	107,800	1.080	\$37.33

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011**

Date of Issue: June 8, 2005
Canceling Original Sheet No. 41.1
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE**P.O. LT.****Private Outdoor Lighting**

Company, where secondary voltage of 120/240 is available, will furnish, own, and maintain poles, fixtures and any necessary circuitry up to 100 feet. All poles and fixtures furnished by Company will be standard stocked materials. Where Customer's location would require the installation of additional facilities, Company may furnish, own, and maintain the requested facilities at an additional charge per month to be determined by Company. Such charges are subject to change by Company upon 30 days prior written notice.

Customer is to pay the monthly rate plus any additional charge determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary and provide, own, and maintain all conduit. Company may, at Customer's request, provide all ditching, back-filling, and repaving/seeding/sodding as necessary for payment, in advance, of Company's cost to provide those services. Upon termination of service, the Company shall not be required to remove underground facilities.

Where Customer has need for non-stocked styles of poles or fixtures, Company may agree to provide the requested styles for payment, in advance, by Customer of the cost difference between the requested styles and the stock materials. Customer accepts that Company's maintenance of non-stock materials is dependent on outside vendors and that maintenance of non-stock styles may be delayed or materials unavailable.

DECORATIVE HPS (SERVED UNDERGROUND)

TYPE POLE AND FIXTURE	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Acorn Decorative	4,000	0.060	\$10.46
Acorn Historic	4,000	0.060	\$16.38
Acorn Decorative	5,800	0.083	\$11.03
Acorn Historic	5,800	0.083	\$16.94
Acorn Decorative	9,500	0.117	\$11.74
Acorn Historic	9,500	0.117	\$17.66
Colonial	4,000	0.060	\$ 6.92
Colonial	5,800	0.083	\$ 7.39
Colonial	9,500	0.117	\$ 8.02
Coach	5,800	0.083	\$25.16
Coach	9,500	0.117	\$25.85
Contemporary	5,800	0.083	\$12.69
Contemporary	9,500	0.117	\$15.13
Contemporary	22,000 *	0.242	\$17.66
Contemporary	50,000 *	0.485	\$23.04
Gran Ville	16,000	0.150	\$28.44

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005**

PURSUANT TO 807 KAR 5:011

Date of Issue: June 8, 2005
Canceling Original Sheet No. 41.2
Issued July 20, 2004

Issued By

**Date Effective: With Bills Rendered
On and After
July 5, 2005**

**John R. McCall, Executive Vice Pres
General Counsel, and Corporate Secretary**
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE**P.O. LT.****Private Outdoor Lighting****Gran Ville Accessories:**

*** Single Crossarm Bracket	\$16.28
Twin Crossarm Bracket	\$18.12
24 Inch Banner Arm	\$ 2.82
24 Inch Clamp Banner Arm	\$ 3.90
18 Inch Banner Arm	\$ 2.60
Flagpole Holder	\$ 1.20
Post-Mounted Receptacle	\$16.90
Base-Mounted Receptacle	\$16.31
**** Additional Receptacle	\$ 2.31
Planter	\$ 3.91

Company to furnish, own, and maintain decorative poles, fixtures and any necessary circuitry up to 100 feet for the size lamps being used. Additional facilities required by Customer will be provided at a charge to be determined by the Company. These additional charges are subject to change by the Company upon 30 days prior written notice. All facilities furnished by the Company will be standard stocked material. Customer to pay rate plus any additional charges as determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary, and provide, own, and maintain all conduit. Upon termination of this service, the Company shall not be required to remove underground wiring. If the Company provides storage for the fixture, poles and/or the accessories, then an adder of **12.50 %** will apply to the rate per light for Gran Ville lights and accessories..

NOTE: * NOT AVAILABLE FOR URBAN RESIDENTIAL HOME USE
 ** RESTRICTED TO THOSE FIXTURES IN SERVICE ON AUGUST 20, 1990
 *** FOR EXISTING POLES ONLY
 **** FOR 2 RECEPTACLES ON SAME POLE

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with:

Fuel Adjustment Clause
 Environmental Cost Recovery Surcharge
 Merger Surcredit Rider
 Value Delivery Surcredit Rider
 Franchise Fee Rider
 School Tax

Sheet No. 70

Sheet No. 72

Sheet No. 73

Sheet No. 75

Sheet No. 76

Sheet No. 77

**PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 7/5/2005**

PURSUANT TO 807 KAR 5:011

Date of Issue: June 8, 2005
 Canceling Original Sheet No. 41.3
 Issued July 20, 2004

Issued By

Date Effective: June 2, 2005


 John R. McCall, Executive Vice President,
 General Counsel, and Corporate Secretary
 Louisville, Kentucky


 Executive Director

ELECTRIC RATE SCHEDULE**P.O. LT.****Private Outdoor Lighting****DUE DATE OF BILL**

Payment is due within 10 days from date of bill. Billing for this service to be made a part of bill rendered for other electric service.

DETERMINATION OF ENERGY CONSUMPTION

The kilowatt-hours will be determined as set forth on Sheet No. 53 of this Tariff.

TERM OF CONTRACT

For a fixed term of not less than 5 years and for such time thereafter until terminated by either party giving 30 days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial 5-year term will require the Customer to pay to Company its cost of labor to install and remove facilities plus cost of non-salvable material, prorated on the basis of the remaining portion of the 5-year period.


Signed contracts will not be required when the fixture(s) are placed on existing pole with a 120 volt source.

TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.
2. All service and necessary maintenance on the light and facilities will be performed only during regular scheduled working hours of the Company. The Company shall be allowed 48 hours after notification by the Customer in which to restore service.
3. The Customer shall be responsible for fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts.
4. The Company shall own and maintain all facilities required in providing this service, except as noted above.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004**Issued By****Date Effective: June 1, 2001
July 1, 2004**


**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE**SQF****Small Capacity Cogeneration and Small Power Production Qualifying Facilities****AVAILABILITY**

In all territory served.

APPLICABILITY OF SERVICE

This Rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 KW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy.

Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under PARALLEL OPERATION.

Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.

RATE A: Time-Differentiated Rate

1. For summer billing months of June, July, August and September, during the hours 9:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours), 5.582 cents per KWH.
2. For winter billing months of December, January and February, during the hours 7:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours), 3.351 cents per KWH.
3. During all other hours (off-peak hours), 2.607 cents per KWH.

Determination of On-Peak and Off-Peak Hours: On-peak hours are defined as the hours of 9:01 A.M. through 10:00 P.M., E.D.T. (8:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 1 above), and the hours of 7:01 A.M. through 10:00 P.M., E.D.T. (6:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 2 above). Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above). Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.

RATE B: Non-Time-Differentiated Rate

For all KWH purchased by Company,

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OF KENTUCKY
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3.071 cents per KWH

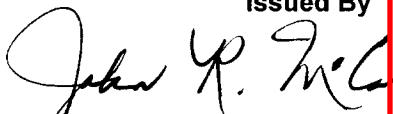
PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

Date Effective: June 30, 2006

**Date of Issue: May 26, 2006
Canceling First Revision of
Original Sheet No. 45
Issued September 3, 2004**

Issued By


**John R. McCall, Executive Vice President
General Counsel, and Corporate Secretary
Lexington, Kentucky**

Executive Director

ELECTRIC RATE SCHEDULE**SQF****Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

T

SELECTION OF RATE AND METERING

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

DUE DATE OF BILL

Any payment due from Company to Seller will be due within 15 days from date of Company's reading of meter; provided, however, that, if Seller is a customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as customer.

PARALLEL OPERATION

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: December 5, 1986
July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE**SQF****Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

and agrees that the sole purpose of any Company examination of such plans is the satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).

2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.
3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.
4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.
5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a customer of Company. When Seller is a customer of Company and Company is required to construct facilities different than otherwise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation, or, if agreed to by both parties, over a period of up to three years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnected with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that the Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.
6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof.

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

07/01/2004

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: December 5, 1986
July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.
8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.
9. Seller will notify Company's Energy Control Center at Dix Dam prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.
10. Company reserves the right to curtail a purchase from Seller when:
 - (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
 - (b) Company has a system emergency and purchases would (or could) contribute to such emergency.

Seller will be notified of each curtailment.

TERMS AND CONDITIONS

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: December 5, 1986
Revised July 20, 2004


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE**LQF****Large Capacity Cogeneration and Small Power Production Qualifying Facilities****AVAILABILITY**

In all territory served.

APPLICABILITY OF SERVICE

Applicable to any small power production or cogeneration "qualifying facility" with capacity over 100 Kw as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to the Company.

RATES FOR PURCHASES FROM QUALIFYING FACILITIES**Energy Component Payments**

The hourly avoided energy cost (AEC) in \$ per MWh, which is payable to a QF for delivery of energy, shall be equal to the Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to $[AEC \times E_{QF}]$, where E_{QF} is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

Capacity Component Payments

The hourly avoided capacity cost (ACC) in \$ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to the Company from the inter-utility market (which includes both energy and capacity charges) less the Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to $[ACC \times CAP_i]$, where CAP_i , the capacity delivered by the QF, is determined on the basis of the system demand (D_i) and the Company's need for capacity in that hour to adequately serve the load.

Determination of CAP_i

For the following determination of CAP_i , C_{KU} represents the Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; C_{QF} represents the actual capacity provided by a QF, but no more than the contracted capacity; and C_M represents capacity purchased from the inter-utility market.

1. System demand is less than or equal to the Company's capacity:
 $D_i \leq C_{KU}$; $CAP_i = 0$

2. System demand is greater than the Company's capacity but less than or equal to the total of the Company's capacity and the capacity provided by a QF

$$C_{KU} < D_i \leq [C_{KU} + C_{QF}]; \quad CAP_i = C_M$$

Date of Issue: July 20, 2004

Issued By

Date Effective: April 17, 1999

Revised: July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

ELECTRIC RATE SCHEDULE

LQF

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

3. System demand is greater than the total of the Company's capacity and the capacity provided by a QF:

$$D_I > [C_{KU} + C_{QF}] ; \quad CAP_I = C_{QF}$$

PAYMENT

The Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within 10 days of the date the bill is rendered. In lieu of such payment plan, the Company will, upon written request, credit the Customer's account for such purchases.

TERM OF CONTRACT

For contracts which cover the purchase of energy only, the term shall be one year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be 5 years.

TERMS AND CONDITIONS

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that the Company would have incurred if the qualifying facility's output had not been purchased.
2. A qualifying facility operating in parallel with the Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact the Company for assistance in this regard.
3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Terms and Conditions currently in effect, as filed with the Commission.

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07/01/2004

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: April 17, 1999

Refiled: July 20, 2004

**Michael S. Beer, Vice President
Lexington, Kentucky**

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

CATV - RC**Cable Television Attachment – Rental Charge****APPLICABLE**

In all territory served.

AVAILABILITY OF SERVICE

Where a cable television system operator has proper authorization to provide cable television service in a given area (hereinafter "Customer"), the Company is willing to permit the attachments of cables, wires and appliances to its poles where, in Company's judgment, such attachments will not interfere with its electric service requirements and other prior licensees using Company's poles. Attachments will be permitted upon execution by both parties of a Cable Television Attachment Agreement and an Application and Permit form supplied by Company.

RENTAL CHARGE

Rental charge of \$2.71 per year for each attachment to pole, subject to annual adjustment as provided below.

RENTAL CHARGE ADJUSTMENT

The rental charge stated above is subject to change by the Company upon 20 days' written notice to the Customer and the Public Service Commission. Such change will be either an upward or downward adjustment, when conditions arise which materially affect the investment in facilities, or a change in the Company's costs to cover expense of operation, maintenance, depreciation, taxes, insurance and return on investment, in accordance with the Commission's allowance of such expenses and investments. A change in the Rental Charge will not be made more often than once in any 12-month period and will apply to the next semi-annual billing period.

BILLING

Rental charges to be billed semi-annually based on the number of pole attachments being maintained on December 1 and June 1. Payment will be due within 10 days from date of bill.

TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than 1 year, subject to provisions contained in the agreement. At any time thereafter, the Customer may terminate the agreement by giving not less than 6 months' prior written notice. Upon termination of the agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

TERMS AND CONDITIONS OF POLE ATTACHMENTS


Pole attachments shall be permitted in accordance with this Rental Schedule. The Company's Terms and Conditions shall be applicable, to the extent they are not in conflict with or inconsistent with the special provisions of this Rental Schedule, Cable Television Attachments Agreement, the Application and Permit form.

Date of Issue: July 20, 2004

Issued By

Date Effective: January 1, 1984

Revised: July 20, 2004


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

CATV - RC

Cable Television Attachment – Rental Charge

Upon written Agreement, the Company is willing to permit, to the extent it may lawfully do so, the attachment of cables, wires and appliances to its poles by a cable television system operator, hereinafter "Customer," where, in its judgment, such use will not interfere with its electric service requirements and other prior licensees using Company's poles, including consideration of economy and safety, in accordance with this rental schedule approved by the Public Service Commission. The Terms and Conditions applicable to such service are as follows:

1. ATTACHMENT APPLICATIONS AND PERMITS

Before making attachment to any pole or poles of Company, Customer shall make application and receive a permit therefor on a form to be supplied by Company (KU Form 17-52). The information submitted by Customer with the application for a permit shall consist of drawings and associated descriptive matter which shall be adequate in all detail to enable the Company to thoroughly check the proposed installation of Customer. Before the attachments are made, the permit must be approved by the Company. Customer shall not build separate pole lines along existing facilities of Company and shall not place intermediate poles in spans of Company, unless authorized by Company in writing. Company shall have the right to remove unauthorized Customer attachments at Customer's expense after notice to Customer. In the event a pole attachment count does not correspond to the recorded attachment count, Customer will pay a back rental fee for any excess attachments. The back rental fee will be double the rate otherwise in effect over the time since last pole attachment count and shall be payable on demand.

2. PERMITTED ATTACHMENTS

Customer shall be permitted to make only one bolt attachment for one messenger on tangent poles and two bolt attachments for two messengers on corner poles. A maximum of five individual coaxial cables may be supported by any single messenger if these cables are all attached to the messenger by suitable lashings or bindings, and so that the maximum overall dimension of the resulting cable bundle does not exceed two inches. Any messenger attachment other than to tangent poles must be properly braced with guys and anchors provided by Customer to the satisfaction of the Company. The use of existing Company anchors for this purpose must be specifically authorized in writing, subject to additional charge, and will not ordinarily be permitted. The use of crossarms or brackets shall not be permitted. In addition to messenger attachments, Customer will be permitted one Customer amplifier installation per pole and four service drops to be tapped on cable messenger strand and not on pole. Customer power supply installations shall be permitted, but only at pole locations specifically approved by the Company. Any or all of the above are considered one attachment for billing purposes. Any additional attachments desired by Customer will be considered on an individual basis by the Company, and as a separate attachment application.

3. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS

Customer's cables, wires and appliances, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the National Electrical

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SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: January 1, 1984

Revised: July 20, 2004


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

CATV - RC**Cable Television Attachment – Rental Charge**

Safety Code, current edition, and Company's construction practices, or any amendments or revisions of said Code and in compliance with any rules or orders now in effect or that hereinafter may be issued by the Public Service Commission of Kentucky, or other authority having jurisdiction. In the event any of Customer's construction does not meet any of the foregoing requirements, Customer will correct same in fifteen work days after written notification. Company may make corrections and bill Customer for total costs incurred, if not corrected by Customer.

4. MAINTENANCE OF ATTACHMENTS

Customer shall, at its own expense, make and maintain said attachments in safe condition and in thorough repair, and in a manner suitable to Company and so as not to conflict with the use of said poles by Company, or by other parties, firms, corporations, governmental units, etc., using said poles, pursuant to any license or permit by Company, or interfere with the working use of facilities thereon or which may, from time to time, be placed thereon. Customer shall promptly at any time, at its own expense, upon written notice from Company, relocate, replace or renew its facilities placed on said poles, and transfer them to substituted poles, or perform any other work in connection with said facilities that may be required by Company but in no case longer than two months after date of written request. In cases of emergency, however, Company may arrange to relocate, replace or renew the facilities placed on said poles by Customer, transfer them to substituted poles or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon or which may be placed thereon, or for the service needs of Company, or its other licensees, and Customer shall, on demand, reimburse Company for the expense thereby incurred.

5. COSTS ASSOCIATED WITH ATTACHMENTS

In the event that any pole or poles of Company to which Customer desires to make attachments are inadequate to support the additional facilities in accordance with the aforesaid specifications, Company will indicate on the application and permit form (KU Form 17-52) the changes necessary to provide adequate poles and the estimated cost thereof to Customer and return the form to Customer. If Customer still desires to make the attachments, and returns the form to Company marked to so indicate, Company will replace such inadequate poles with suitable poles and Customer will, on demand, reimburse Company for the total cost of pole replacement necessary to accommodate Customer attachments, less the salvage value of any pole that is removed, and the expense of transferring Company's facilities from the old to the new poles. Where Customer desired attachments can be accommodated on pre-sent poles of Company by rearranging Company's facilities thereon, Customer will compensate Company for the full expense incurred in completing such rearrangements, within ten days after receipt of Company's invoice for such expense. Customer will also, on demand, reimburse the owner or owners of other facilities attached to said poles for any expense incurred by it or them in transferring or rearranging said facilities. In the event Customer makes an unauthorized attachment which necessitates rearrangements when discovered, then Customer shall pay on demand twice the expense incurred in completing such rearrangements.

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07/01/2004
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6. MAINTENANCE AND OPERATION OF COMPANY'S FACILITIES

Company reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its electric service requirements, but in accordance with the specifications herein before referred to. Company shall not be liable to Customer for any interruption to service to Customer's subscribers or for interference with the operation of the cables, wires and appliances of Customer arising in any manner out of the use of Company's poles hereunder.

7. FRANCHISES AND EASEMENTS

Customer shall submit to Company evidence, satisfactory to Company, of Customer's authority to erect and maintain Customer's facilities within public streets, highways and other thoroughfares within the above described territory which is to be served and shall secure any necessary consent by way of franchise or other satisfactory license, permit or authority, acceptable to Company from State, County or municipal authorities or from the owners of property where necessary to construct and maintain facilities at the locations of poles of Company which it desires to use. Customer must secure its own easement rights on private property. Customer must, regardless of authority received or franchises given by governmental agencies, conform to all requirements of Terms and Conditions with regard to Company's property. Company's approval of attachments shall not constitute any representation or warranty by Company to Customer regarding Customer's right to occupy or use any public or private right-of-way.

8. INSPECTION OF FACILITIES

Company reserves the right to inspect each new installation of Customer on its poles and in the vicinity of its lines or appliances and to make periodic inspections, every two (2) years or more often as plant conditions warrant of the entire plant of Customer. Such inspections, made or not, shall not operate to relieve Customer of any responsibility, obligation or liability.

9. RENTALS

Customer shall pay to Company an annual rental charge per attachment in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission for each year from the 1st of January of each respective year to the following December 31 provided, however, that should the Agreement be terminated in accordance with the terms of the said Agreement at any time after January 1 of any year and prior to December 31 of that year, the annual rentals will be prorated from January 1 to the date of such termination. The rental payments herein provided for shall be made on a semi-annual basis upon the number of poles on which attachments are being maintained on the 1st day of December and the 1st day of June, respectively. This rental charge is subject to change in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission or applicable regulations or statutes.

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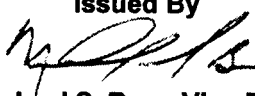
SECTION 9 (1)

Date of Issue: July 20, 2004

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10. PRECAUTIONS TO AVOID FACILITY DAMAGE

Customer shall exercise precautions to avoid damage to facilities of Company and of others supported on said poles; and shall assume all responsibility for any and all loss for such damage cause by it. Customer shall make an immediate report to Company of the occurrence of any damage and shall reimburse Company for the expense incurred in making repairs.

11. INDEMNITIES AND INSURANCE

Customer shall defend, indemnify and save harmless Company from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature-including but not limited to costs and expenses of defending against the same and payment of any settlement or judgment therefor, by reason of (a) injuries or deaths to persons, (b) damages to or destructions of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by Company itself or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of Customer, its employees, agents, or other representatives or from their presence on the premises of the Company, either solely or in concurrence with any alleged joint negligence of Company.

Customer shall provide and maintain in an Insurance Company(s) authorized to do business in the Commonwealth of Kentucky, the following:

- (a) Insurance protection for Customer employees to the extent required by the Workmen's Compensation Law of Kentucky and, where same is not applicable or if necessary to provide a defense for Company, Employer's Liability Protection (covering both Company and Customer) for Customer employees for no less than \$100,000.00 per employee.
- (b) Public Liability and Business Liability insurance with a minimum limit of \$500,000.00 for each person injured and with a minimum total limit of \$1,000,000.00 for each accident and a minimum limit of \$100,000.00 for property damage for each accident.
- (c) Public Liability and Property Damage insurance on all automotive equipment used by Customer on job to the extent of the amounts for Public Liability and Property Damage insurance set out in the preceding Paragraph (b).
- (d) In the event that work covered by the Agreement includes work to be done in places or areas where the Maritime Laws are in effect, then and in that event additional insurance protection to the limits in Paragraph (b) above for liability arising out of said Maritime Laws.
- (e) In the event the work covers fixed wing aircraft, rotor lift, lighter than air aircraft or any other form of aircraft, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b).

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- (f) In the event the work covers blasting, explosives or operations underground, in trenches or other excavations, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b), together with products hazard and completed operations insurance where applicable, affording protection to the limits above prescribed. Customer's liability insurance shall be written to eliminate XCU exclusions. Said insurance is to be kept in force for not less than one year after cancellation of the Agreement.

Before starting work, Customer shall furnish to Company a certificate(s) of insurance satisfactory to Company, evidencing the existence of the insurance required by the above provisions, and this insurance may not be canceled for any cause without sixty (60) days advance written notice being first given the Company; provided, that failure of Company to require Customer to furnish any such certificate(s) shall not constitute a waiver by Company of Customer's obligation to maintain insurance as provided herein.

Each policy required hereunder shall contain a contractual endorsement written as follows: "The insurance provided herein shall also be for the benefit of Kentucky Utilities Company so as to guarantee, within the policy limits, the performance by the named insured of the indemnity provisions of the Cable Television Attachment Agreement between the named insured and Kentucky Utilities Company. This insurance may not be canceled for any cause without sixty (60) days advance written notice being first given to Kentucky Utilities Company."

12. ATTACHMENT REMOVAL AND NOTICES

Customer may at any time voluntarily remove its attachments from any pole or poles of Company, but shall immediately give Company written notice of such removal on a form to be supplied by Company (KU Form 17-53). No refund of any rental will be due on account of such voluntary removal.

13. FORBIDDEN USE OF POLES

Prior to Customer's initial attachment, Company reserves the right due to engineering design requirements to refuse use by Customer of certain or specific poles or structures (such as normal transmission routes). Upon notice from Company to Customer that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit covering the use of such pole or poles shall immediately terminate and Customer shall remove its facilities from the affected pole or poles at once. No refund of any rental will be due on account of any removal resulting from such forbidden use.

14. NON-COMPLIANCE

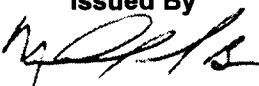
If Customer shall fail to comply with any of the provisions of these Rules and Regulations or Terms and Conditions or default in any of its obligations under these Rules and Regulations or Terms and Conditions and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, Company may, at its option, forthwith terminate the Agreement or the permit covering the poles as to which such default or non-compliance shall

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Issued By

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Defiled: July 20, 2004


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have occurred, by giving written notice to Customer of said termination. No refund of any rental will be due on account of such termination.

15. BILLING

Bills for expenses and other charges under the Agreement shall be payable within ten days after presentation. Non-payment of bills shall constitute a default of the Agreement.

16. WAIVERS

Failure to enforce or insist upon compliance with any of these Rules and Regulations or Terms and Conditions or the Agreement shall not constitute a general waiver or relinquishment thereof, but the same shall be and remain at all times in full force and effect.

17. USE OF COMPANY'S FACILITIES BY OTHERS

Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by Company, by contract or otherwise, to others, not parties to the Agreement, to use any poles covered by the Agreement; and Company shall have the right to continue and to extend such rights or privileges. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.

18. ASSIGNMENT

Customer shall not assign, transfer or sublet the privileges hereby granted and/or provided in the Agreement without the prior consent in writing of Company.

19. PROPERTY RIGHTS

No use, however extended, of Company poles under the Agreement shall create or vest in Customer any ownership or property rights in said poles, but Customer shall be and remain a customer only. Nothing herein contained shall be construed to compel Company to maintain any of said poles for a period longer than demanded by its electric service requirements.

20. FAILURE TO PROCEED

Customer agrees to proceed as expeditiously as practical with the work of providing the television cable service to the area described in the Agreement. Within ninety (90) days from the date of the Agreement, Customer shall make progress reasonably satisfactory to Company in the installation of its facilities or shall demonstrate, to the reasonable satisfaction of Company, its ability to proceed expeditiously.

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21. TERMINATION

Upon termination of the Agreement in accordance with any of its terms, Customer shall immediately remove its cables, wires and appliances from all poles of Company. If not removed, Company shall have the right to remove them at the cost and expense of Customer.

22. SECURITY

Customer shall furnish bond for the purposes hereinafter specified as follows:

- (a) during the period of Customer's initial installation of its facilities and at the time of any expansion involving more than 75 poles, a bond in the amount of \$2,000 for each 100 poles (or fraction thereof) to which Customer intends to attach its facilities;
- (b) following the satisfactory completion of Customer's initial installation, the amount of bond shall be reduced to \$1,000 for each 100 poles (or fraction thereof);
- (c) after Customer has been a customer of Company pursuant to the Agreement and is not in default thereunder for a period of three years, the bond shall be reduced to \$500 for each 100 poles (or fraction thereof).
- (d) such bond shall contain the provision that it shall not be terminated prior to six (6) months' after receipt by the Company of written notice of the desire of the bonding or insurance company to terminate such bond. This six (6) months' termination clause may be waived by Company if an acceptable replacement bond is received before the six (6) months has ended. Upon receipt of such termination notice, the Company shall request Customer to immediately remove its cables, wires and all other facilities from all poles of Company. If Customer should fail to complete the removal of all of its facilities from the poles of Company within thirty (30) days after receipt of such request from Company, then Company shall have the right to remove them at the cost and expense of Customer and without being liable for any damage to Customer's wires, cables, fixtures or appurtenances. Such bond shall guarantee the payment of any sums which may become due to Company for rentals, inspections or work performed for the benefit of Customer under the Agreement, including the removal of attachments upon termination of the Agreement by any of its provisions.
- e) Company in its sole discretion may agree in writing to accept other collateral (such as a cash deposit or an irrevocable bank letter of credit) in substitution for the bond required by, and subject to the other requirements of, this Section 22.

23. NOTICES

Any notice, or request, required by these Rules and Regulations or Terms and Conditions or the Agreement shall be deemed properly given if mailed, postage pre-paid, to the Senior Vice President in charge of Operations, Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40502.

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Kentucky, in the case of Company; or, in the case of the Customer, to its representative designated in the Agreement. The designation of the person to be notified, and/or his address may be changed by Company or Customer at any time, or from time to time, by similar notice.

24. ADJUSTMENTS

Nothing contained herein or in any Agreement shall be construed as affecting in any way the right of Company, and Company shall at all times have the right, to unilaterally file with the Public Service Commission a change in rental charges for attachments to poles, other charges as provided for, any rule, regulation, condition or any other change required. Such change or changes to become effective upon approval of the Commission or applicable regulations or statutes, and shall constitute an amendment to the Agreement.

25. TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than one (1) year, subject to provision contained in the Agreement. At any time thereafter, the Customer may terminate the Agreement by giving not less than six (6) months prior written notice. Upon termination of the Agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

26. BINDING EFFECT

Subject to the provisions of Section 18 hereof, the Agreement and these Rules and Regulations or Terms and Conditions shall extend to and bind the successors and assigns of the parties hereto.

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ELECTRIC RATE SCHEDULE**NMS****Net Metering Service****APPLICABLE**

In all territory served.

AVAILABILITY OF SERVICE

Available to customers who own, operate and maintain a generation system located on customer's premises, that use as its total fuel source solar, wind or hydro energy, in parallel with the Company's electric system to provide all or part of their electrical requirements, and who execute the Company's written Net Metering Program Notification Form. The generation system shall be limited to a maximum capacity of 15 kilowatts.

NOTIFICATION

The customer shall submit a completed Net Metering Program Notification Form to the company at least 30 days prior to the date the customer intends to interconnect his generator to the company's facilities. Customer shall have all equipment necessary to complete the interconnection installed prior to such notification. The company shall have 30 days from the date of notification to determine whether the customer has satisfied the tariff requirements and shall notify customer. The date of notification shall be the third day following the mailing of the Net Metering Program Notification Form by customer. Customer may interconnect his generator thirty-one days after the date of notification, and begin operation unless the company provides notification of non-compliance to the tariff, prior to the 31st day.

METERING AND BILLING

Net Metering Service shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. If electricity generated by the customer and fed back to the Company's system exceeds the electricity supplied to the customer from the system during a billing period, the customer shall receive a credit for the net delivery on the customer's bill for the succeeding billing period. Net metering service shall be measured using a single meter or, as determined by the Company, additional meters.

LIABILITY INSURANCE


A customer with a generator with a rated capacity not exceeding 15 kilowatts shall maintain homeowners, commercial, or other insurance providing coverage in the amount of at least \$100,000 for the liability of the insured against loss arising out of the use of a generator.

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PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: January 10, 2005

Issued By

Date Effective: February 10, 2005


John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky


Executive Director

ELECTRIC RATE SCHEDULE**NMS****Net Metering Service****ADDITIONAL CONTROLS AND TESTS**

The company may install additional controls or meters, or conduct additional tests as it may deem necessary.

NET METERING SERVICE INTERCONNECTION GUIDELINES

Customer shall operate their generating facilities in parallel with Company's system under the following conditions and any other conditions required by Company where unusual conditions arise not covered herein:



1. Customer to own, install, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as the Company's system voltage.
2. Customer will be responsible for operating generators and all facilities owned by customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of customer's control, safety, or other equipment.
4. The Company at, its discretion, may require a suitable lockable, company accessible, load breaking manual disconnect switch or similar equipment, as specified by Company, to be furnished by *customer* at a location designated by Company to enable the separation or disconnection of the two electrical systems. The load breaking manual disconnect switch must be accessible to the Company at all times.
5. Customer agrees to inform Company of any changes it wishes to make in its generating and/or associated facilities that is different from those initially installed and described to Company in writing and obtain prior approval from Company.
6. Company will have the right to inspect and approve customer's facilities, described herein, and conduct any tests necessary to determine that such facilities are installed and operating properly. However, the Company will have no obligation to inspect, witness tests or in any manner be responsible for customer's facilities or operation.
7. The customer assumes all responsibility for the electric service on the customer's premises at and from the point of delivery of electricity from the Company and for the wires and equipment used in connection therewith, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of electricity from the Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of the Company

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By 
John R. McCall, Executive Vice President,
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Lexington, Kentucky

Executive Director

ELECTRIC RATE SCHEDULE**NMS****Net Metering Service****CONDITIONS OF INTERCONNECTION**

A customer may begin operation of his generator on an interconnected basis when all of the following have been satisfied:

1. The customer has properly notified the company of his intent to interconnect by submission of the completed Net Metering Program Notification Form.
2. The net metering customer has installed a lockable, company accessible, load breaking manual disconnect switch, if required.
3. A licensed electrician has certified, by signing the Company Net Metering Program Notification Form, that any required manual disconnect switch has been installed properly and that the generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
4. The vendor has certified, by signing the Company Net Metering Program Notification Form, that the generator being installed is in compliance with the requirements established by Underwriters Laboratories, or other national testing laboratories.
5. The customer has had the inverter settings inspected by the company, if the generator is a static inverter-connected generator with an alternating current capacity in excess of 10 kilowatts. The Company may impose a fee on the customer of no more than \$50 for such inspection.
6. For non-static inverter-connected generators, the customer has interconnected according to the Company's interconnection guidelines and the Company has inspected all protective equipment settings. The Company may impose a fee on the customer of no more than \$50 for such inspection.

DEFINITIONS

"Billing period" shall be the time period between the dates on which the Company issues the customer's bills.

"Billing Period Credit" shall be the electricity generated by the customer that flows into the electric system and which exceeds the electricity supplied to the customer from the electric system during any billing period.


TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

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John R. McCall, Executive Vice President,
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Lexington, Kentucky

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Executive Director

ELECTRIC RATE SCHEDULE**NMS****Net Metering Service****Net Metering Program Notification Form****INTERCONNECTION NOTIFICATION**

APPLICANT HEREBY GIVES NOTICE OF INTENT TO OPERATE A GENERATING FACILITY.

Section 1. Applicant Information

Name: _____

Mail _____

Address: _____

City: _____ State: _____ Zip Code: _____

Facility Location (if different from above): _____

Daytime Phone Number: _____

KU Account Number: _____

Section 2. Generating Facility Information

Generator Type (check one): Solar _____, Wind _____, Hydro _____

Generator Manufacturer, Model Name & Number: _____

Power Rating in Kilowatts: AC: _____ DC: _____

Inverter Manufacturer, Model Name & Number: _____

Battery Backup? (yes or no) _____

Section 3. Installation Information

Installation Date: _____ Proposed Interconnection Date: _____

Section 4. Certifications

1. The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741:

Signed (Vendor): _____ Date: _____

Name (printed): _____ Company: _____

Phone Number: _____

2. The system has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.

Signed (Licensed Electrician): _____ Date: _____

License Number: _____ Phone Number: _____

Mail Address: _____

City: _____ State: _____ Zip Code: _____

3. Utility signature signifies only receipt of this form.

Signed (Utility Representative): _____

Date: _____


I hereby certify that, to the best of my knowledge, all of the information provided in this Notice is true and correct.

Signature of Applicant _____

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Special Charges

The following charges will be applied uniformly throughout the Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to meet associated expenses.

RETURNED PAYMENT CHARGE

In those instances where a Customer renders payment to the Company which is not honored upon deposit by the Company, the Customer will be charged \$9.00 to cover the additional processing costs.

METER TEST CHARGE

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter was not more than two percent fast, the Customer will be charged \$31.40 to cover the test and transportation costs.

DISCONNECTING AND RECONNECTING SERVICE CHARGE

A charge of \$20.00 will be made to cover disconnection and reconnection of electric service when discontinued for non-payment of bills or for violation of the Company's rules and regulations, such charge to be made before reconnection is effected. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

Residential and general service customers may request and be granted a temporary suspension of electric service. In the event of such temporary suspension, Company will make a charge of \$20.00 to cover disconnection and reconnection of electric service, such charge to be made before reconnection is effected.

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PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
On and After
1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

CSR1

Curtaileable Service Rider 1

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is restricted to those customers receiving service under the provisions of the preceding CSR rider, P.S.C. No. 12, Original Sheet No. 11A, as of the execution date of the Settlement Agreement in P.S.C. Case No. 2003-00434, May 12, 2004.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed two hundred and fifty (250) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with unlimited requests for curtailment per calendar day within these parameters. Company may request or cancel a curtailment at any time during an hour, but shall give no less than twenty (20) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) Customer shall contract for a given amount of firm demand, and the curtailable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, Customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtailable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.
- b) Customer shall contract for a given amount of curtailable load by which Customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtailable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtailable load, in the billing period shall be the curtailable demand on which the monthly credit is based. The difference in contracted curtailable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.
- c) At the time of a request for curtailment, Company shall give Customer an option of purchasing a block of power as is required to meet the curtailment request. Company shall give Customer a price for such power, based on existing market conditions, at the time of the curtailment request. Customer must state agreement to the purchase of power, if that is Customer's

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CSR1

Curtaileable Service Rider 1

intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above.

- d) In those months in which the Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtaileable demand, b) above.

RATE

Customer will receive a credit against the applicable power schedule for curtaileable KW, as determined in the preceding paragraph, times the applicable credit. Customers will be charged for the portion of each requested curtailment not met at the applicable charge.

	Primary	Transmission
Demand Credit of:	\$ 3.20 per KW	\$ 3.10 per KW
Non-Compliance Charge of:	\$16.00 per KW	\$16.00 per KW

Failure of Customer to curtail when requested to do so may result in termination of service under this rider.

TERM OF CONTRACT

The minimum original contract period shall be one year and thereafter until terminated by giving at least 6 months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

PUBLIC SERVICE COMMISSION
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07/01/2004
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ELECTRIC RIDER**CSR2****Curtailable Service Rider 2**

N

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider shall be made available to any customer served under the applicable power schedules who contracts for not less than 1,000 kilowatts of their total requirements to be subject to curtailment upon notification by the Company.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by the Company. Requests for curtailment shall not exceed five hundred (500) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with unlimited requests for curtailment per calendar day within these parameters. Company may request or cancel a curtailment at any time during an hour, but shall give no less than ten (10) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following two ways:


- a) The customer shall contract for a given amount of firm demand, and the curtailable load shall be the Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, the customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtailable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.
- b) The customer shall contract for a given amount of curtailable load by which the customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, the Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtailable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtailable load, in the billing period shall be the curtailable demand on which the monthly credit is based. The difference in contracted curtailable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.
- c) At the time of a request for curtailment, Company shall give Customer an option of purchasing a block of power as is required to meet the curtailment request. Company shall give Customer a price

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ELECTRIC RIDER**CSR2****Curtailable Service Rider 2**

for such power, based on existing market conditions, at the time of the curtailment request. Customer must state agreement to the purchase of power, if that is Customer's intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above. This option to "buy-thru" will be available to the customer only after customer has been served under CSR2 for three (3) years with no non-compliances.

- d) In those months in which the Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtailable demand, b) above.

RATE

Customer will receive a credit against the applicable power schedule for curtailable KW, as determined in the preceding paragraph, times the applicable credit. Customers will be charged for the portion of each requested curtailment not met at the applicable charge.

	Primary	Transmission
Demand Credit of:	\$ 4.19 per KW	\$ 4.09 per KW
Non-Compliance Charge of:	\$16.00 per KW	\$16.00 per KW

Failure of Customer to curtail when requested to do so may result in termination of service under this rider.

TERM OF CONTRACT

The minimum original contract period shall be one year and thereafter until terminated by giving at least 6 months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.

TERMS AND CONDITIONS


Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

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SECTION 9 (1)

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Date Effective: With Service Rendered


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CSR3

Curtable Service Rider 3

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is restricted to those customers receiving service under the provisions of the LI-TOD.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed two hundred (200) hours per year in the year beginning April 1, 2004, nor one hundred (100) hours in any continuously succeeding year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with unlimited requests for curtailment per calendar day within these parameters. Requests for curtailment are limited to the On-Peak periods specified under Rating Periods in the LI-TOD rate schedule. Company may request or cancel a curtailment at any time during an hour, but shall give no less than twenty (20) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) Customer shall contract for a given amount of firm demand, and the curtable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, Customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.
- b) Customer shall contract for a given amount of curtable load by which Customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtable load, in the billing period shall be the curtable demand on which the monthly credit is based. The difference in contracted curtable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.
- c) In those months in which the Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtable demand, b) above.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
After
, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

CSR3**Curtailable Service Rider 3****RATE**

Customer will receive a credit against the applicable power schedule for curtailable KVA, as determined in the preceding paragraph, times the applicable credit. Customers will be charged for the portion of each requested curtailment not met at the applicable charge.

	Primary	Transmission
Demand Credit of:	\$ 3.20 per KVA	\$ 3.10 per KVA
Non-Compliance Charge of:	\$16.00 per KVA	\$16.00 per KVA

Failure of Customer to curtail when requested to do so may result in termination of service under this rider.

TERM OF CONTRACT

The minimum original contract period shall be one year and thereafter until terminated by giving at least 6 months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004**Issued By****Date Effective: With Service Rendered**


**Michael S. Beer, Vice President
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Executive Director

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ELECTRIC RIDER**IFL****Rider for Intermittent and Fluctuating Loads****APPLICABLE**

In all territory served.

AVAILABILITY OF SERVICE

This schedule applies to all loads having a detrimental effect upon the electric service rendered to other Customers of the Company or upon the Company's facilities.

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by the Company, in its reasonable discretion, the Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by the Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by the Company. Without limiting the foregoing, the Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of the Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of the Company or others, and the Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:056, Section 14(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. The Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by the Company, Customer shall provide all available information to the Company that aids the company in enforcing its service standards. If the Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, the company may engage such experts and/or consultants as the Company shall determine are appropriate to advise the Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

RATE

1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.
2. Plus the charges provided for under the rate schedule applicable, including any customer charge if applicable, energy charge, maximum load charge (if load charge rate is used), fuel clause and the minimum under such rate adjusted in accordance with (a) or (b) herein.
 - (a) If rate schedule calls for a minimum based on the total KW of connected load, each KVA of such special equipment shall be counted as one KW connected load for minimum billing purposes.
 - (b) If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the KW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each KVA of such special equipment shall be counted as one-third KW load for minimum billing purposes.

MINIMUM CHARGE

As determined by this Rider and the Rate Schedule to which it is attached.

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STANDARD RIDER**EF****Excess Facilities****APPLICABLE**

In all territory served.

AVAILABILITY OF SERVICE

This rider is available for non-standard service facilities which are considered to be in excess of the standard facilities that would normally be provided by the Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. The Company reserves the right to decline to provide service hereunder for any project (a) that exceeds \$100,000 or (b) where the Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term.

DEFINITION OF EXCESS FACILITIES

Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

LEASED FACILITIES CHARGE

The customer shall pay for excess facilities through a contribution in aid of construction, which may take the form of a one-time payment or a Carrying Cost Charge based on the original installed cost of the facilities.

Monthly Rates

	<u>Carrying Cost</u>	<u>Operating Expenses</u>
Charge for Distribution Facilities	0.93%	0.56%

The percentage rates are applied to the installed cost of the excess facilities.

PAYMENT

The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

TERM OF CONTRACT

The initial term of contract to the customer under this schedule shall be not less than 5 years. The term shall continue automatically thereafter until terminated by either party upon at least one month's written notice.

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07/01/2004
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SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered

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ELECTRIC RIDER**Kilowatt-Hours Consumed By Street Lighting Units****APPLICABLE**

Determination of energy set out below applies to the Company's non-metered lighting rate schedules.

DETERMINATION OF ENERGY CONSUMPTION

The applicable fuel clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table.

HOURS USE TABLE


<u>Month</u>	<u>Hours Light Is In Use</u>
JAN	407
FEB	344
MAR	347
APR	301
MAY	281
JUN	257
JUL	273
AUG	299
SEP	322
OCT	368
NOV	386
DEC	415
TOTAL FOR YEAR	4,000 HRS.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011

Date of Issue: July 20, 2004

Issued By

Date Effective: March 1, 2000
Refiled: July 20, 2004


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

STANDARD RIDER

TS

Temporary and/or Seasonal Electric Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is available at the option of the Customer where Customer's business is of such nature to require only seasonal service or temporary service, including service provided for construction of residences or commercial buildings, and where in the judgment of the Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other Customers.

This service is available for not less than one month (approximately 30 days), but when service is used longer than one month, any fraction of a month's use will be prorated for billing purposes.

CONDITIONS

Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefor the following conditions and agreements:

1. Customer to pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.
2. Customer to pay regular rate of the electric rate schedule applicable, with the exception of the minimum provision, which will be as outlined in (3) below.
3. Minimum: Customer to pay minimum bill equivalent to \$3.99 per KW or fraction thereof, of the total connected load including power, lighting and any other electrical equipment, plus the applicable customer charge.

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SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
June 1, 2000
July 20, 2004

Michael S. Beer, Vice President
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Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

STANDARD RIDER

RC

Redundant Capacity Rider

APPLICABLE

This rate is applicable to customers served under the Company's rate schedules which include a demand charge or a special contract including a demand charge.

AVAILABILITY OF SERVICE

Available to Customers requesting the reservation of capacity on the Company's facilities which are shared by other customers. Such facilities represent a redundant delivery to provide electric service to the Customer's facility in the event that an emergency or unusual occurrence renders the Customers principal delivery unavailable for providing service.

RATE:Capacity Reservation Charge

Secondary Distribution

\$0.80 per Kw per Month

Primary Distribution

\$0.63 per Kw per Month

Applicable to the greater of:

- (1) the highest average load in kilowatts recorded at either the principal distribution feed metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period,
- (2) 50% of the maximum demand similarly determined for any of the 11 preceding months, or
- (3) the contracted capacity reservation

SPECIAL TERMS AND CONDITIONS:

The minimum contract term shall be five years, but the Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions.

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2004

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ELECTRIC RATE SCHEDULE**NMS****Net Metering Service****APPLICABLE**

In all territory served by the Company on a trial basis for 36 months from the effective date of March 14, 2002.

AVAILABILITY OF SERVICE

Available to customers who own, operate and maintain a generation system located on customer's premises, that use as its total fuel source solar, wind or hydro energy, in parallel with the Company's electric system to provide all or part of their electrical requirements, and who execute the Company's written Net Metering Program Notification Form. The generation system shall be limited to a maximum capacity of 10 kilowatts for residential customers and 25 kilowatts for non-residential customers. This tariff will be made available on a pilot program basis to the first 25 customers who execute and submit a Net Metering Program Notification Form. To participate in the program, a customer shall begin service during the first two years of the trial.

NOTIFICATION

The customer shall submit a completed Net Metering Program Notification Form to the company at least 30 days prior to the date the customer intends to interconnect his generator to the company's facilities. Customer shall have all equipment necessary to complete the interconnection installed prior to such notification. The company shall have 30 days from the date of notification to determine whether the customer has satisfied the tariff requirements and shall notify customer. The date of notification shall be the third day following the mailing of the Net Metering Program Notification Form by customer. Customer may interconnect his generator thirty-one days after the date of notification, and begin operation unless the company provides notification of non-compliance to the tariff, prior to the 31st day.

METERING AND BILLING

Net Metering Service shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions. If electricity generated by the customer and fed back to the Company's system exceeds the electricity supplied to the customer from the system during a net metering period, the customer shall receive no compensation from the Company unless the customer has entered into a purchase power contract with the Company. If electricity generated by the customer and fed back to the system exceeds the electricity supplied to the customer from the system during any billing period, resulting in a Billing Period Credit, the customer shall be required to pay only the non-energy charges for that billing period. Any excess net generation by the customer shall be accumulated, carried forward and applied at the first opportunity to any billing periods having positive net consumption. Any accumulated Billing Period Credits remaining unused at the end of a net metering period shall be carried forward into the next net metering period only to the extent that such accumulated Billing Period Credits carried forward do not exceed the net metering customer's positive net consumption for the current net metering period. Net metering service shall be measured using a single meter or, as determined by the Company, additional meters.

LIABILITY INSURANCE

A customer with a generator with a rated capacity not exceeding 10 kilowatts shall maintain homeowners, commercial, or other insurance providing coverage in the amount of at least \$100,000 for the liability of the insured against loss arising out of the use of a generator, and for a generator with a rated capacity exceeding 10 kilowatts such coverage shall be in the amount of at least \$300,000.

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ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

ADDITIONAL CONTROLS AND TESTS

The company may install additional controls or meters, or conduct additional tests as it may deem necessary.

NET METERING SERVICE INTERCONNECTION GUIDELINES

Customer shall operate their generating facilities in parallel with Company's system under the following conditions and any other conditions required by Company where unusual conditions arise not covered herein:

1. Customer to own, install, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as the Company's system voltage.
2. Customer will be responsible for operating generators and all facilities owned by customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of customer's control, safety, or other equipment.
4. The Company at, its discretion, may require a suitable lockable, company accessible, load breaking manual disconnect switch or similar equipment, as specified by Company, to be furnished by *customer at a* location designated by Company to enable the separation or disconnection of the two electrical systems. The load breaking manual disconnect switch must be accessible to the Company at all times.
5. Customer agrees to inform Company of any changes it wishes to make in its generating and/or associated facilities that is different from those initially installed and described to Company in writing and obtain prior approval from Company.
6. Company will have the right to inspect and approve customer's facilities, described herein, and conduct any tests necessary to determine that such facilities are installed and operating properly. However, the Company will have no obligation to inspect, witness tests or in any manner be responsible for customer's facilities or operation.
7. The customer assumes all responsibility for the electric service on the customer's premises at and from the point of delivery of electricity from the Company and for the wires and equipment used in connection therewith, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of electricity from the Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of the Company

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ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

CONDITIONS OF INTERCONNECTION

A customer may begin operation of his generator on an interconnected basis when all of the following have been satisfied:

1. The customer has properly notified the company of his intent to interconnect by submission of the completed Net Metering Program Notification Form.
2. The net metering customer has installed a lockable, company accessible, load breaking manual disconnect switch, if required.
3. A licensed electrician has certified, by signing the Company Net Metering Program Notification Form, that any required manual disconnect switch has been installed properly and that the generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
4. The vendor has certified, by signing the Company Net Metering Program Notification Form, that the generator being installed is in compliance with the requirements established by Underwriters Laboratories, or other national testing laboratories.
5. The customer has had the inverter settings inspected by the company, if the generator is a static inverter-connected generator with an alternating current capacity in excess of 10 kilowatts. The Company may impose a fee on the customer of no more than \$50 for such inspection.
6. For non-static inverter-connected generators, the customer has interconnected according to the Company's interconnection guidelines and the Company has inspected all protective equipment settings. The Company may impose a fee on the customer of no more than \$50 for such inspection.

DEFINITIONS

"Billing period" shall be the time period between the dates on which the Company issues the customer's bills.

"Billing Period Credit" shall be the electricity generated by the customer that flows into the electric system and which exceeds the electricity supplied to the customer from the electric system during any billing period.

"Net metering period" shall be each successive 12-month period beginning with the first meter reading date following the date of final interconnection of the generator with the company's facilities.

TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

Date Effective: March 14, 2002
Revised: July 20, 2004


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

Net Metering Program Notification Form

INTERCONNECTION NOTIFICATION

APPLICANT HEREBY GIVES NOTICE OF INTENT TO OPERATE A GENERATING FACILITY.

Section 1. Applicant Information

Name: _____
Mail Address: _____
City: _____ State: _____ Zip Code: _____
Facility Location (if different from above): _____
Daytime Phone Number: _____
KU Account Number : _____

Section 2. Generating Facility Information

Generator Type (check one): Solar _____, Wind _____, Hydro _____
Generator Manufacturer, Model Name & Number: _____

Power Rating in Kilowatts: AC: _____ DC: _____
Inverter Manufacturer, Model Name & Number: _____

Battery Backup? (yes or no) _____

Section 3. Installation Information

Installation Date: _____ Proposed Interconnection Date: _____

Section 4. Certifications

1. The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741:
Signed (Vendor): _____ Date: _____
Name (printed): _____ Company: _____
Phone Number: _____
2. The system has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
Signed (Licensed Electrician): _____ Date: _____
License Number: _____ Phone Number: _____
Mail Address: _____
City: _____ State: _____ Zip Code: _____
3. Utility signature signifies only receipt of this form.
Signed (Utility Representative): _____
Date: _____

I hereby certify that, to the best of my knowledge, all of the information provided in this Notice is true and correct.

Signature of Applicant _____

Date of Issue: July 20, 2004

Issued By

Date Effective: March 14, 2002

Refiled: July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

ELECTRIC RIDER

LRI

Experimental Load Reduction Incentive Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule shall be made available as a rider to any customer served on the Company's standard tariffs, having stand-by generation facilities of at least 500 kW, and agreeing to operate such facilities in accordance with the terms and conditions of this tariff. Service under this schedule is offered on an experimental basis for a period of six years from the effective date of August 1, 2000, for a total maximum contracted load of 10,000 kW.

RATE

Up to \$0.30 per KWH

TERMS AND CONDITIONS

- 1) Company will have the option to require Customer to operate Customer's stand-by generation to replace Customer's electric usage. Such period of generation shall not exceed 8 hours in any 24-hour period nor shall the total hours of generation in any 12-month period exceed 300 hours.
- 2) Should Company request Customer to operate Customer's stand-by generation, Company will notify Customer by 12 noon on a day ahead basis.
- 3) Company's request for Customer to operate Customer's stand-by generation will include an offer of a payment per KWH for Customer to operate Customer's stand-by generation.
- 4) Customer is obligated to operate Customer's stand-by generation should Customer accept the Company's offered price.
- 5) Customer's stand-by generation shall not be operated in parallel with Company's system (i.e., such generation shall be connected to circuits which are isolated from Company's system).
- 6) Customer will be responsible for maintaining Customer's stand-by generation, including an adequate fuel supply, to ensure meeting Customer's obligation under this schedule.
- 7) Company will meter the output of Customer's stand-by generation, base the payment for Customer reducing load on the metered output, and provide payment to Customer through a credit to Customer's standard service billing.
- 8) Customer may provide Company with the option to install equipment that will permit Company to remotely start stand-by generation and switch circuits to such generation so that they are isolated from Company's system.
- 9) Company has no obligation to request operation of Customer's stand-by generation nor to provide any credit to Customer without first requesting Customer to provide stand-by generation.

TERM OF CONTRACT

The minimum term of contract shall be for one year and thereafter until terminated by either party giving at least six months written notice. Company may require a longer initial term when deemed necessary. Failure of Customer to operate stand-by generation may result in termination of contract.

Date of Issue: July 20, 2004

Issued By

Date Effective: August 1, 2000
July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

T

ELECTRIC RATE SCHEDULE STOD Small Time-of-Day Service

APPLICABLE

In all territory served by the Company.

AVAILABILITY OF SERVICE

Available to commercial customers whose average maximum monthly demands are greater than 250 KW and less than 2,000KW.

- STOD shall be available as an optional pilot program for three years effective 14 weeks following the Final Order in PSC Case No 2003-00434 for existing customers on Rate LP, Original Sheet No 20, PSC No 13.
- As an optional pilot program, STOD is restricted to 100 customers. The Company will notify all eligible customers of STOD and accept applications on a first-come-first-served basis with the beginning of business 6 weeks following the Final Order in PSC Case No 2003-00434.
- For each year or partial year of the pilot program, programming costs plus lost revenues will be recovered from customers served under Rate LP by a program cost recovery mechanism.
- No customers will be accepted for STOD following the end of the second year of the pilot program.
- The Company will file a report on STOD with the Commission within six months of the end of the third year of the pilot program. Such report will detail findings and recommendations.
- STOD shall remain in effect until terminated by order of the Commission.

RATE

Customer Charge: \$90.00 per month

Plus a Demand Charge:

- Secondary Service - \$6.65 per KW per month
- Primary Service - \$6.26 per KW per month
- Transmission Service - \$5.92 per KW per month

Plus an Energy Charge of:

- On-Peak Energy - \$0.03116 per KWH
- Off-Peak Energy - \$0.01816 per KWH

Where the On-Peak Energy is defined for bills rendered during a billing period as the metered consumption from:

- 10 A.M. to 9 P.M., Eastern Standard Time, on weekdays for the four consecutive billing months of June through September or
- 8 A.M. to 10 P.M., Eastern Standard Time, on weekdays for the eight consecutive billing months from October through May.

All other metered consumption shall be defined as Off-Peak Energy.

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge.

PUBLIC SERVICE COMMISSION

OF KENTUCKY

7/5/2005

PURSUANT TO 807 KAR 5:011

Date of Issue: June 8, 2005
Canceling Original Sheet No. 62
Issued July 20, 2004

Issued By

Date Effective With Bills Rendered
On and After
July 15, 2005

John R. McCall, Executive Vice Pres
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE STOD
Small Time-of-Day Service

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula:
(BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

PROGRAM COST RECOVERY MECHANISM

The monthly billing amount computed under Rate LP shall be adjusted by the Program Cost Recovery Factor which shall be calculated per KWH in accordance with the following formula:

$$\text{Program Cost Recovery Factor} = (\text{PC} + \text{LR}) / \text{LPKWH}$$

Where:

- a) PC is the cost of programming the billing system and will be no more than \$29,050 for each of the three years of the pilot program.
- b) LR is the lost revenues of the pilot program calculated by subtracting the revenues that would have been billed under Rate LP from the revenues realized by actual billings under STOD. LR will be calculated for the first program year and applied in the second program or recovery year. That procedure will repeat for each year or partial year the pilot is in effect.
- c) LPKWH is the expected KWH energy sales for the LP rate in the recovery year.
- d) The Company will file any changes to the Program Cost Recovery Factor with supporting calculations ten days prior to application.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

MINIMUM CHARGE

Service under this schedule is subject to an annual minimum of \$81.24 per kilowatt for secondary delivery, \$77.16 per kilowatt for primary delivery and \$73.08 per kilowatt for transmission delivery for each yearly period based on the greater of (a), (b), (c), (d), or (e) as follows:

- (a) The highest monthly maximum load during such yearly period.
- (b) The contract capacity, based on the expected maximum KW demand upon the system.
- (c) 60 percent of the KW capacity of facilities specified by the customer.
- (d) Secondary delivery, \$812.40 per year; Primary delivery, \$1,929.00 per year; Transmission delivery, \$3,654.00 per year.
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Date of Issue: June 8, 2005
Canceling Original Sheet No. 62.1
Issued July 20, 2004

Issued By

Date Effective: June 2, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011

ELECTRIC RATE SCHEDULE**STOD****Small Time-of-Day Service**

Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year. A new customer or an existing customer having made a permanent change in the operation of electrical equipment that materially affects the use in kilowatt-hours and/or use in kilowatts of maximum load will be given an opportunity to determine new service requirements in order to select the most favorable contract year period and rate applicable.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERM OF CONTRACT

For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate. A customer exiting the pilot program will not be allowed to return to it until the Commission has issued a decision on the STOD program report.

TERMS AND CONDITIONS


Service will be furnished under Company's Terms and Conditions applicable hereto.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
and After
1, 2004


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

FAC

Fuel Adjustment Clause

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is a mandatory rider to all electric rate schedules.

- (1) The charge per KWH delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

where "F" is the expense of fossil fuel and "S" is the KWH sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.

- (2) Fuel costs (F) shall be the most recent actual monthly cost of:
- (a) Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus
 - (b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
 - (c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of schedule outage, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less
 - (d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
 - (e) All fuel costs shall be based on weighted average inventory costing.
- (3) Forced outages are all non-schedules losses of generation or transmission which require substitute power for a continuous period in excess of six hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

Date of Issue: July 20, 2004

Issued By

Date Effective: May 1, 2003

Refiled: July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

FAC
Fuel Adjustment Clause

- (4) Sales (S) shall be all KWH's sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).
- (5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.
- (6) Base (b) period shall be the twelve months ending September 2004 and the base fuel factor is 1.810 cents per KWH.
- (7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.
- (8) Pursuant to the Public Service Commission's Order in Case No. 2004-00465 dated May 24, 2005, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of July 2005.

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**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005
PURSUANT TO 807 KAR 5:011**

Date of Issue: June 8, 2005
Canceling Original Sheet No. 70.1
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

DSMRM**Demand-Side Management Cost Recovery Mechanism**

APPLICABLE TO: Residential Service Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, Small Time-of-Day Service Rate STOD, Large Power Rate LP, and Large Commercial/Industrial Time-of-Day Rate LCI-TOD. Industrial customers served under Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD, who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism.

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:

$$\text{DSMRC} = \text{DCR} + \text{DRLS} + \text{DSMI} + \text{DBA}$$

Where: **DCR = DSM COST RECOVERY.** The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class.

DRLS = DSM REVENUE FROM LOST SALES

Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:

For each upcoming twelve-month period, the estimated reduction in customer usage (in Kwh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Kwh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential, Volunteer Fire Department, and General Service customer class is defined as the weighted average price per Kwh of expected billings under the energy charges contained in the Rate RS, VFD, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

Date Effective: July 1, 2003
July 20, 2004


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

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DSMRM**Demand-Side Management Cost Recovery Mechanism**

included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (Rate LP, Rate LCI-TOD, and Rate STOD) is defined as the weighted average price per Kwh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges.

The lost revenues for each customer class shall then be divided by the estimated class sales (in Kwh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for 36 months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.


A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

DSMI = DSM INCENTIVE. For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of KU's avoided costs over the expected life of the program, and will include both capacity and energy savings. For Energy Education and Direct Load Control Programs, the DSM incentive amount shall be computed by multiplying the annual cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent.

The DSM incentive amount related to programs for Residential Service Rate RS, Volunteer Fire Department Service VFD, General Service Rate GS, Small Time-of-Day Rate STOD, Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD, shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

Date of Issue: July 20, 2004

Issued By

Date Effective: July 1, 2003
July 20, 2004
Michael S. Beer, Vice President
Lexington, Kentucky
Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

DSMRM**Demand-Side Management Cost Recovery Mechanism**

DBA = DSM BALANCE ADJUSTMENT. The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI and previous application of the DBA and the revenues which should have been billed, as follows:

- (1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.
- (3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
- (4) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over- or under-recoveries of DSM amounts were realized.

The filing of modifications to the DSMRC which require changes in the DCR component shall be made at least two months prior to the beginning of the effective period for billing.

Modifications to other components of the DSMRC shall be made at least thirty days prior to the effective period for billing. Each filing shall include the following information as applicable:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: July 1, 2003
July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

DSMRM

Demand-Side Management Cost Recovery Mechanism

- (2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC.


Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

**Date Effective: July 1, 2003
July 20, 2004**


**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

DSMRM**Demand-Side Management Cost Recovery Mechanism****APPLICABLE TO:**

Residential Service Rate RS, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Small Time-of Day Rate STOD, Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD.

DSM Cost Recovery Component (DSMRC):Residential Service Rate RS and
Volunteer Fire Department Service VFDEnergy Charge

DSM Cost Recovery Component (DCR):	0.067 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.002 ¢/Kwh
DSM Incentive (DSM):	0.003 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.015) ¢/Kwh
DSMRC Rate RS:	0.057 ¢/Kwh

General Service Rate GSEnergy Charge

DSM Cost Recovery Component (DCR):	0.021 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.006 ¢/Kwh
DSM Incentive (DSM):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.014) ¢/Kwh
DSMRC Rate GS:	0.013 ¢/Kwh

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/3/2006**

PURSUANT TO 807 KAR 5.011

**Date of Issue: March 31, 2006
Canceling Fourth Revision of
Original Sheet No. 71.4
Issued December 27, 2005**

Issued By

Date Effective: April 3, 2006

**John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky**

Executive Director

Issued by Authority of Order of the KPSC in Case No. 2006-00102 dated March 27, 2006

DSMRM

Demand-Side Management Cost Recovery Mechanism

DSM Cost Recovery Component (DSMRC):
(Continued)

<u>Large Power Rate LP and Small Time-of-Day Service Rate STOD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.004 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.001 ¢/Kwh
DSM Incentive (DSM):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.002 ¢/Kwh
DSMRC Rate LP:	0.007 ¢/Kwh

<u>Large Commercial/Industrial Rate LCI-TOD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.000 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.000 ¢/Kwh
DSM Incentive (DSM):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate TOD:	0.000 ¢/Kwh

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/3/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: March 31, 2006
Canceling Third Revision of
Original Sheet No. 71.5
Issued December 27, 2005

Issued By

Date Effective: April 3, 2006


John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2006-00102 dated March 27, 2006

ECR

Environmental Cost Recovery Surcharge

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To all electric rate schedules.

RATE

The monthly billing amount under each of the schedules to which this mechanism is applicable, including the fuel clause, shall be increased or decreased by a percentage factor calculated in accordance with the following formula.

$$\text{CESF} = \text{E(m)} / \text{R(m)}$$

$$\text{MESF} = \text{CESF} - \text{BESF}$$

MESF = Monthly Environmental Surcharge Factor

CESF = Current Environmental Surcharge Factor

BESF = Base Environmental Surcharge Factor

Where E(m) is the jurisdictional total of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month and R(m) is the revenue for the current expense month as set forth below.

DEFINITIONS

- 1) For all Plans, $\text{E(m)} = [(\text{RB}/12)(\text{ROR} + (\text{ROR} - \text{DR})(\text{TR} / (1 - \text{TR}))) + \text{OE}]$

Where:

- a) RB is the Total Environmental Compliance Rate Base.
 - b) Where ROR is the Rate of Return in Environmental Compliance Rate Base, designated as the overall all rate of return [cost of short term debt, long term debt, preferred stock, and common equity]
 - c) Where DR is the Debt Rate [cost of short term debt, and long term debt]
 - d) Where TR is the Composite Federal and State Income Tax Rate.
 - e) Where OE is the Operating Expenses [Depreciation and Amortization Expense, Property Taxes, Insurance Expense adjusted for the Average Month Expense already included in existing rates]. Includes operation and maintenance expense recovery authorized by the K.P.S.C. in Case Nos. 2000-439, 2002-146 and 2004-00426.
- 2) Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor to arrive at Net Jurisdictional E(m)
- 3) The revenue R(m) is the average monthly revenue, including base revenues and automatic adjustment clause revenues less Environmental Cost Recovery Surcharge revenues, for the Company for the 12 months ending with the current expense month.
- 4) Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

Date of Issue: June 28, 2005
Canceling Original Sheet No. 72
Issued July 20, 2004

Issued By

John R. McCall, Executive Vice Pres
General Counsel and Secretary
Louisville, Kentucky

Date Effective With Service Rendered
On and After
July 1, 2005

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2005

SECTION 5.011

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2004-00426 dated June 20, 2005

MSR
Merger Surcredit Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To all electric rate schedules, excluding those customers receiving their one-time payment of the surcredit amount under the settlement agreement in PSC Case No. 2002-00429.

RATE

The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall be adjusted by the Merger Surcredit Factor, which shall be calculated in accordance with the following formula:

$$\text{Merger Surcredit Factor} = \text{MS} + \text{BA}$$

Where:

(MS) is the Merger Surcredit which is based on the total Company savings that are to be distributed to the Company's Kentucky jurisdictional retail customers in each 12-month period beginning July 1, 1998.

	Savings to be Distributed	Merger Surcredit (MS)
Year 1	\$ 6,008,699	0.972%
Year 2	\$ 8,764,133	1.387%
Year 3	\$11,824,431	1.836%
Year 4	\$12,978,580	1.979%
Year 5	\$14,287,560	2.139%
Year 6	\$17,898,933	2.646%*
Year 7	\$17,898,933	2.568%
Year 8	\$17,898,933	2.503%
Year 9	\$17,898,933	2.442%
Year 10	\$17,898,933	2.389%

*Reflects the average factor for the year. Actual application determined by the Final Order in PSC Case No. 2002-00429.

(BA) is the Balancing Adjustment for the second through the twelfth months of the current distribution year which reconciles any over- or under-distribution of the net savings from prior periods. The Balancing Adjustment will be determined by dividing the differences between amounts which were expected to be distributed and the amounts actually distributed from the application of the Merger Surcredit Factor from the previous year by the expected Kentucky jurisdictional retail electric revenues. The final Balancing Adjustment will be applied to customer billings in the second month following the tenth distribution year.

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07/01/2004

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

Date Effective: October 16, 2003
Filed: July 20, 2004

Date of Issue: July 20, 2004

Issued By


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

**MSR
Merger Surcredit Rider**

TERMS OF DISTRIBUTION


- (1) The total distribution to Company's customers will, in no case, be less than the sum of the amounts shown above.
- (2) On or before the 21st of the first month of each distribution year following Year 1, the Company will file with the Commission a status report of the Surcredit. Such report shall include a statement showing the amounts which were expected to be distributed and the amounts actually distributed in previous periods, along with a calculation of the Balancing Adjustment (BA) which will be implemented with customer billings in the second month of that distribution year to reconcile any previous over-or under-distributions.
- (3) The Merger Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the school tax, the franchise fee, sales tax or similar items.
- (4) The Company shall file a plan with the PSC midway through Year 10 of this schedule to address the future disposition of the Merger Surcredit and pending a final order from the Commission in that proceeding, the Merger Surcredit shall remain in effect.

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OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

**Date Effective: October 16, 2003
July 20, 2004**


**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00424 dated June 30, 2004

D

This sheet, which previously contained the
Earnings Sharing Mechanism schedule, is
withdrawn effective June 2, 2005.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005

Date of Issue: June 8, 2005
Canceling Original Sheet No. 74
Issued July 20, 2004

Issued By

PURSUANT TO 807 KAR 5-011
Date Effective: June 2, 2005
SECTION 9 (1)


John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

D

This sheet, which previously contained the
Earnings Sharing Mechanism schedule, is
withdrawn effective June 2, 2005.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/5/2005

PURSUANT TO 807 KAR 5-011
Date Effective: June 2, 2005
SECTION 9 (1)

Date of Issue: June 8, 2005
Canceling Original Sheet No. 74.1
Issued July 20, 2004

Issued By



John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

VDSR**Value Delivery Surcredit Rider****APPLICABLE**

In all territory served.

AVAILABILITY OF SERVICE

To all electric rate schedules.

RATE

The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall be adjusted by the Value Delivery Surcredit Factor, which shall be calculated in accordance with the following formula:

$$\text{Value Delivery Surcredit Factor} = \text{VDS} + \text{BA}$$

Where:

(VDS) is the Value Delivery Surcredit which is based on the total Company net savings that are to be distributed to the Company's Kentucky jurisdictional retail customers in each 12-month period.

	Net Savings To be Distributed	Value Delivery Surcredit (VDS)
Year 1, Dec 1, 2001 to Dec 31, 2001	\$ 480,000	0.85%
Year 2, Jan 1, 2002 to Dec 31, 2002	\$ 640,000	0.10%
Year 3, Jan 1, 2003 to Dec 31, 2003	\$2,360,000	0.33%
Year 4, Jan 1, 2004 to Dec 31, 2004	\$2,880,000	0.38%
Year 5, Jan 1, 2005 to Dec 31, 2005	\$3,360,000	0.45%
Succeeding Annual Periods beginning Jan 1, 2006	\$3,360,000	0.35%

(BA) is the Balancing Adjustment for the second through the twelfth months of the current distribution year which reconciles any over- or under-distribution of the net savings from prior periods. The Balancing Adjustment will be determined by dividing the differences between amounts which were expected to be distributed and the amounts actually distributed from the application of the Value Delivery Surcredit Factor from the previous year by the expected Kentucky jurisdictional retail electric revenues. A final Balancing Adjustment will be applied to customer billings in the second month following the termination of the Value Delivery Surcredit.

TERMS OF DISTRIBUTION

- (1) The total distribution to Company's customers will, in no case, be less than the sum of the amounts shown above for Year 1 through Year 5, plus one-twelfth of the amount shown for Succeeding Annual Periods for each month the Value Delivery Surcredit is effective beginning January 1, 2006.

Date of Issue: March 31, 2006
Canceling Original Sheet No. 75.1
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
April 1, 2006

John R. McCall, Executive Vice President
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2005-00351 dated March 24, 2006

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/1/2006

PURSUANT TO 807 KAR 5-011
SECTION 8.1(d)

VDSR

Value Delivery Surcredit Rider

- (2) On or before the 21st of the first month of each distribution year following Year 1, the Company will file with the Commission a status report of the Surcredit. Such report shall include a statement showing the amounts which were expected to be distributed and the amounts actually distributed in previous periods, along with a calculation of the Balancing Adjustment (BA) which will be implemented with customer billings in the second month of that distribution year to reconcile any previous over-or under-distributions.
- (3) The Value Delivery Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the school tax, the franchise fee, sales tax or similar items.
- (4) The Value Delivery Surcredit shall terminate following completion of the billing month in which the Company files an application for an adjustment of electric base rates pursuant to KRS 278.190 or the Commission enters an order reducing electric base rates pursuant to KRS 278.260 and KRS 278.270.

**PUBLIC SERVICE COMMISSION
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4/1/2006**

**PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

**Date of Issue: March 31, 2006
Canceling Original Sheet No. 75.1
Issued July 20, 2004**

Issued By

**Date Effective: With Bills Rendered
On and After
April 1, 2006**

**John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary**
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2005-00351 dated March 24, 2006

STANDARD RIDER**Franchise Fee Rider****APPLICABLE**

In all territory served.

AVAILABILITY OF SERVICE

Available as an option for collection of revenues within governmental jurisdictions which impose on the Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of the Company's base rate schedules.

DEFINITIONS

Base Year - the twelve month period ending November 30.

Collection Year - the full calendar year following the Base Year.

Base Year Amount -

- 1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and
- 2) license fees, permit fees, or other costs specifically borne by the Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to the Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by the Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by the Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and
- 3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2).

RATE

The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible.

BILLING

- 1) The franchise charge will be applied exclusively to the base rate and all riders of bills of customers receiving service within the franchising governmental jurisdiction, before taxes.
- 2) The franchise charge will appear as a separate line item on the Customer's bill and show the unit of government requiring the franchise.
- 3) Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.

TERM OF CONTRACT

As agreed to in the franchise agreement. In the event such franchise agreement should lapse but payment of franchise fees, other local taxes, or permitting fees paid by the Company by ordinance, franchise, or other governmental directive should continue, collection shall continue under this tariff.

TERMS AND CONDITIONS

Service will be furnished in accordance with the provisions of the franchise agreement in so far as those provisions do not conflict with the Terms and Conditions applicable to the Company approved by and under the direction of the Kentucky Public Service Commission.


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OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

Date Effective: October 16, 2003

July 20, 2004


**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

STANDARD RIDER

ST
School Tax

N

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

RATE

The utility gross receipts license tax imposed by the county but not to exceed 3%.

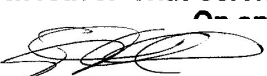
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

STANDARD RIDER

HEA

Home Energy Assistance Program

APPLICABLE

In all territory served.

AVAILABILITY

To all residential customers.

RATE

10¢ per meter per month.

BILLING

The HEA charge shall be shown as a separate item on customer bills.

SERVICE PERIOD

The Home Energy Assistance charge will be applied to all residential electric bills rendered during the billing cycles commencing October 1, 2004 through September 30, 2007, or as otherwise directed by the Public Service Commission. Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.

T

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EFFECTIVE
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PURSUANT TO 807 KAR 5:011
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Date of Issue: October 7, 2004

Issued By

Date Effective: October 1, 2004

Michael S. Beer, Vice President
Louisville, Kentucky

Executive Director

Issued by Authority of an Order of the KPSC in Case No. 2004-00303 dated September 30, 2004

**TERMS AND CONDITIONS
Customer Bill of Rights**

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
 - 1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
 - 2) Pay one third (1/3) of your outstanding bill (\$200 maximum), and
 - 3) Accept referral to the Human Resources' Weatherization Program, and
 - 4) Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

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OF KENTUCKY
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PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
2004**

**Michael S. Beer, Vice President
Lexington, Kentucky**

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

TERMS AND CONDITIONS

General

COMMISSION RULES AND REGULATIONS

All electric service supplied by the Company shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky.

COMPANY TERMS AND CONDITIONS

In addition to the rules and regulations of the Commission, all electric service supplied by the Company shall be in accordance with these "Terms and Conditions," which shall constitute a part of all applications and contracts for service.

RATES, TERMS AND CONDITIONS ON FILE

A copy of the rate schedules, terms, and conditions under which electric service is supplied is on file with the Public Service Commission of Kentucky. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of the Company where bills may be paid.

ASSIGNMENT

No order for service, agreement or contract for service may be assigned or transferred without the written consent of the Company.

RENEWAL OF CONTRACT

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one year each, subject to termination at the end of any year upon 30 days prior written notice by either party.

AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.

No agent has power to amend, modify, alter, or waive any of these TERMS AND CONDITIONS, or to bind the Company by making any promises or representations not contained herein.

SUPERSEDE PREVIOUS TERMS AND CONDITIONS


These TERMS AND CONDITIONS supersede all TERMS AND CONDITIONS, under which the Company has previously supplied electric service.

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PURSUANT TO 807 KAR 5:011
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Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered


Michael S. Beer, Vice President
Lexington, Kentucky


By _____, 2004
Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

TERMS AND CONDITIONS Customer Responsibilities

APPLICATION FOR SERVICE

A written application or contract, properly executed, may be required before the Company is obligated to render electric service. The Company shall have the right to reject for valid reasons any such application or contract.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using electric service is clearly outside the scope of Company's standard rate schedules, Company may establish special contracts giving effect to such unusual circumstances.

TRANSFER OF APPLICATION

Applications for electric service are not transferable and new occupants of premises will be required to make application for service before commencing the use of electricity. Customers who have been receiving electric service shall notify the Company when discontinuance of service is desired, and shall pay for all electric service furnished until such notice has been given and final meter readings made by the Company.

OPTIONAL RATES

If two or more rate schedules are available for the same class of service, it is the customer's responsibility to determine the options available and to designate the schedule under which he desires to receive service.

The Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by the Customer, but the Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, the customer will be given the opportunity to change to another schedule after trial of the schedule originally designated; however, after the first such change, the Company may not be required to make a change in schedule more often than once in twelve months.

From time to time, the Customer should investigate his operating conditions to determine a desirable change from one available rate to another. The Company, lacking knowledge of changes that may occur at any time in the Customer's operating conditions, does not assume responsibility that Customers will at all times be served under the most beneficial rate.

In no event will the Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

CUSTOMER'S EQUIPMENT AND INSTALLATION

The customer shall furnish, install and maintain at his expense all electrical apparatus and wiring to connect with Company's service drop or service line. All such apparatus and wiring shall be

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OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered

Michael S. Beer, Vice President
Lexington, Kentucky

By  Executive Director
id After
1, 2004

Issued By Authority of an Order of the KPSC in Case No. 2005-00434 dated June 30, 2004

**TERMS AND CONDITIONS
Customer Responsibilities**

installed and maintained in conformity with applicable statutes, laws or ordinances and with the rules and regulations of the constituted authorities having jurisdiction. The customer shall not install wiring or connect and use any motor or other electricity-using device which in the opinion of the Company is detrimental to its electric system or to the service of other customers of the Company. The Company assumes no responsibility whatsoever for the condition of the customer's electrical wiring, apparatus, or appliances, nor for the maintenance or removal of any portion thereof.

OWNER'S CONSENT TO OCCUPY

The Customer shall grant easements and rights-of-way on and across Customer's property at no cost to the Company.

ACCESS TO PREMISES AND EQUIPMENT

The Company shall have the right of access to the customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. The customer shall not construct or permit the construction of any structure or device which will restrict the access of the Company to its equipment for any of the above purposes.

PROTECTION OF COMPANY'S PROPERTY

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of the Company installed on the Customer's premises, and will be held liable for same according to law. The Customer hereby agrees that no one except the employees of the Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Company. Upon the absence of an active account, the property owner assumes responsibility for any consumption and the Company's property and service.

POWER FACTOR

The Company installs facilities to supply power to the Customer at or near unity power factor.

The Company expects Customer to use apparatus which shall result in a power factor near unity. However, the Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than 90 percent either lagging or leading.

Where the Customer's power factor is less than 90 percent, the Company reserves the right to require the Customer to furnish, at his own expense, suitable corrective equipment to maintain a power factor of 90 percent or higher.

EXCLUSIVE SERVICE ON INSTALLATION CONNECTED

Electric service shall not be used for purposes other than as set forth in customer's application or contract.

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customer's application
07/01/2004
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Date of Issue: July 20, 2004**Issued By****Date Effective: With Service Rendered**


Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director
1, 2004

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

TERMS AND CONDITIONS
Customer Responsibilities

Except in cases where the Customer has a contract with the Company for reserve or auxiliary service, no other electric light or power service will be used by the Customer on the same installation in conjunction with the Company's service, either by means of a throw-over switch or any other connection.

LIABILITY

The Customer assumes all responsibility for the electric service upon the Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of the Company

NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its customers have a definite capacity which may not be exceeded without damage. In the event that the customer contemplates any material increase in his connected load, whether in a single increment or over an extended period, he shall immediately give the Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice the customer may be held liable for any damage done to meters, transformers, or other equipment of the Company caused by such material increase in the customer's connected load.

PERMITS

The customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give the Company or its agents access to the customer's premises and equipment and to enable its service to be connected therewith. In case the customer is not the owner of the premises or of intervening property between the premises and the Company's distribution lines the customer shall obtain from the proper owner or owners the necessary consent to the installation and maintenance in said premises and in or about such intervening property of all such wiring or other customer-owned electrical equipment as may be necessary or convenient for the supply of electric service to customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, the Company shall obtain the aforementioned consent.

The construction of electric facilities to provide service to a number of customers in a manner consistent with good engineering practice and the least public inconvenience sometimes requires that certain wires, guys, poles, or other appurtenances on a customer's premises be used to supply service to neighboring customers. Accordingly, each customer taking Company's electric service shall grant to Company such rights on or across his or her premises as may be necessary to furnish service to neighboring premises, such rights to be exercised by the Company in a reasonable manner and with due regard for the convenience of the customer.

The Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under the customer's application until a reasonable time after such permits are granted.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered


Michael S. Beer, Vice President
Lexington, Kentucky
id After
1, 2004
Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

**TERMS AND CONDITIONS
Company Responsibilities**

METERING

The electricity used will be measured by a meter or meters to be furnished and installed by the Company at its expense and all bills will be calculated upon the registration of said meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by the Company.

POINT OF DELIVERY OF ELECTRICITY

The point of delivery of electrical energy supplied by the Company shall be at the point, as designated by the Company, where Company's facilities are connected with the facilities of the customer, irrespective of the location of the meter

EXTENSION OF SERVICE

The main transmission lines of the Company, or branches thereof, will be extended to such points as provide sufficient load to justify such extensions or in lieu of sufficient load, the Company may require such definite and written guarantees from a Customer, or group of Customers, in addition to any minimum payments required by the Tariff as may be necessary. This requirement may also be made covering the repayment, within a reasonable time, of the cost of tapping such existing lines for light or power service or both.

COMPANY'S EQUIPMENT AND INSTALLATION

The Company will furnish, install, and maintain at its expense the necessary overhead service drop or service line required to deliver electricity to the customer's electric facilities at the voltage contracted for.

The Company will furnish, install, and maintain at its expense the necessary meter or meters. (The term meter as used here and elsewhere in these rules and regulations shall be considered to include all associated instruments and devices, such as current and potential transformers, installed for the purpose of measuring deliveries of electricity to the customer.) Suitable provision for the Company's meter, including an adequate protective enclosure for the same if required, shall be made by the customer. Title to the meter shall remain in the Company, with the right to install, operate, maintain, and remove same. The customer shall protect such property of the Company from loss or damage, and no one who is not an agent of the Company shall be permitted to remove, damage or tamper with the same. The customer shall execute such reasonable form of easement agreement as may be required by Company.

Notwithstanding the provisions of 807 KAR 5:006, Section 13(4), a reasonable time shall be allowed subsequent to customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish the Company with realistic estimates of prospective electricity requirements.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
d After
, 2004**

**Michael S. Beer, Vice President
Lexington, Kentucky**

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

TERMS AND CONDITIONS

Company Responsibilities

COMPANY NOT LIABLE FOR INTERRUPTIONS

The Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of the Company.

COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES

The Company is merely a supplier of electricity delivered to the point of connection of Company's and the customer's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of the customer or of third persons resulting from the presence, use or abuse of electricity on the customer's premises or resulting from defects in or accidents to any of customer's wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever other than the negligence of the Company

LIABILITY

In no event shall the Company have any liability to the Customer or any other party affected by the electrical service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of the Company's service causes damage to the Company's property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold the Company harmless from any and all suits, claims, losses, and expenses associated therewith.

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TERMS AND CONDITIONS**Character of Service**

The electric service, under the rate schedules herein, from distribution lines will be 60 cycle, alternating current delivered from Company's various load centers at nominal voltages and phases, as available in a given location, as follows:

SECONDARY DISTRIBUTION VOLTAGES**Residential Service -**

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire where network system is used.

Two-wire service is restricted to those customers on the residential service rate schedule as of the effective date, July 1, 2004.

General Service -

Single phase 120/240 volts or 120/208Y volts where network system is available.

Where Company has three phase service available and where Customer has real need for three phase service, such service will be supplied at the option of Company at 240, 480 or 208Y volts where network system is available.

PRIMARY DISTRIBUTION VOLTAGES

The Company's primary distribution voltage levels at load centers are 2,400; 4,160Y; 7,200; 8,320Y; 12,470Y and 34,500.

TRANSMISSION LINE VOLTAGES

The Company's transmission voltage levels are 69,000; 138,000 and 161,000.

Transmission service at 34,500 is restricted to those customers being billed at a transmission demand rate as of its effective date, July 1, 2004.

APPLICATION OF SERVICE VOLTAGE DIFFERENTIALS

To be eligible for the rate applicable to any voltage level other than distribution secondary voltage, a customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the distribution primary or transmission line voltage available at point of connection. In the event Company is required to provide a transformer station to reduce an available voltage to a lower voltage for delivery to a customer, the customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, the rate will be applied as though the customer were served at the next lower voltage classification from that of the actual delivery voltage. The available voltage shall be the voltage on that distribution or transmission line which the Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of the customer.

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Lexington, Kentucky

Executive Director

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TERMS AND CONDITIONS
Residential Rate Specific Terms and Conditions

Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances, and other domestic purposes.

1. Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, the Company will require, as a condition precedent to the application of the residential rate, that the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to the Customer, the Company will allow service to two or more families to be taken through one meter, but in this event the energy blocks and minimum bills of the applicable residential rate shall be multiplied by the number of families thus served, such number of families to be determined on the basis of the number of kitchens in the building. At the Customer's option, in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to one Customer at an appropriate non-residential rate.
2. Single family unit service shall include usage of electric energy customarily incidental to home occupations, such as the office of a physician, surgeon, dentist, musician or artist when such occupation is carried on by the Customer in his residence.
3. A residential building used by a single family as a home, which is also used to accommodate roomers or boarders for compensation, will be billed at the residential rate provided it does not exceed 12 rooms in size. Such a residential building of more than twelve rooms used to accommodate roomers or borders for compensation will be classified as commercial and billed on the appropriate rate. In determining the room rating of rooming and boarding houses, all wired rooms shall be counted except hallways, vestibules, alcoves, closets, bathrooms, lavatories, garrets, attics, storage rooms, trunk rooms, basements, cellars, porches and private garages.
4. Service used in residential buildings occupied by fraternity or sorority organizations associated with educational institutions will be classified as residential and billed at the residential rate.
5. Where both residential and general or commercial classes of service are supplied through a single meter, such combined service shall be billed at the appropriate non-residential rate. The Customer may arrange his wiring so as to separate the general service from the residential service, in which event two meters will be installed by the Company and separate residential and general service rates applied to the respective classes of service.
6. If a farm Customer's barns, pump house or other outbuildings are located at such distance from his residence as to make it impracticable to supply service thereto through his residential meter, the separate meter required to measure service to such remotely located buildings will be considered a separate service contract and billed as a separate Customer on the applicable general service rate.
7. Single-phase power service used for domestic purposes will be permitted under Residential Rate RS when measured through the residential meter subject to the conditions set forth below:

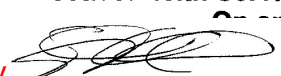
**PUBLIC SERVICE COMMISSION
OF KENTUCKY**
5551 Residential
Conditions set forth
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

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Michael S. Beer, Vice President
Lexington, Kentucky


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

TERMS AND CONDITIONS

Residential Rate Specific Terms and Conditions

- (a) Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.
- (b) Single-phase motors of new central residential cooling installations with total locked-rotor ratings of not to exceed 105 amperes (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of nearby electric customers. However, except with Company's express written consent, no new single-phase central residential cooling unit having a total lock-rotor rating in excess of 105 amperes inclusive of auxiliary motors arranged for simultaneous starting with the compressor) shall hereafter be connected to Company's lines, or be eligible for electric service therefrom, unless it is equipped with an approved type of current-limiting device for starting which will reduce the initial and incremental starting current inrush to a maximum of 100 amperes per step. Company shall be furnished with reasonable advance notice of any proposed central residential cooling installation.
- (c) In the case of multi-motored devices arranged for sequential starting of the motors, the above rules are considered to apply to the locked-rotor currents of the individual motors; if arranged for simultaneous starting of the motors, the rules apply to the sum of the locked-rotor currents of all motors so started.
- (d) Any motor or motors served through a separate meter will be billed as a separate customer.
8. No three-phase power service will be rendered under Residential Rate Schedule RS.

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Lexington, Kentucky

Executive Director

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TERMS AND CONDITIONS**Billing****METER READINGS AND BILLS**

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 6.

All bills will be based upon meter readings made in accordance with the Company's meter reading schedule. The Company, except if prevented by reasons beyond its control, shall read customers meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

When Company is unable to read customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's electric meter fails to register properly by reason of damage, accident, etc., the Company shall have the right to estimate the customer's consumption during the period of failure on the basis of such factors as the customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Bills are due and payable at the office of the Company during business hours, or at other locations designated by the Company, within 10 days from date of rendition thereof.

Failure to receive a bill does not exempt a customer from these provisions of the Company's Terms and Conditions.

READING OF SEPARATE METERS NOT COMBINED


For billing purposes, each meter upon the customer's premises will be considered separately and readings of two or more meters will not be combined except where the Company's operating convenience requires the installation of two or more meters upon the customer's premises instead of one meter.

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**Michael S. Beer, Vice President
Lexington, Kentucky**


By **nd After**
1, 2004
Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

TERMS AND CONDITIONS**Billing****MONITORING OF CUSTOMER USAGE**

In order to detect unusual deviations in individual customer consumption, the Company will monitor the usage of each customer at least once annually. Should an unusual deviation in the customer's consumption be found which cannot be attributed to a readily identified cause, the Company will perform a detailed analysis of the customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, the Company will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the customer's service line. Where the deviation is not otherwise explained, the Company will test the customer's meter to determine whether it shows an average error greater than 2 percent fast or slow. The Company will notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10(4) and (5). In addition to the annual monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

RESALE OF ELECTRIC ENERGY

Electric energy furnished under the Company's standard application or contract is for the use of the customer only and no customer shall resell such energy to any other person, firm, or corporation on the customer's premises or for use on any other premises without the written consent of Company. If energy is resold in accordance with such written consent of Company, the energy may be resold only under one of the following two procedures: (1) the bill for electric service shall be divided by the total Kwh's delivered to the customer by Company and the resulting cost per Kwh shall then be applied to the Kwh's of energy used by each end-user; or (2) such energy shall be resold at rates which are identical to the rates which would be charged by the Company for like and contemporaneous service.

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Lexington, Kentucky
By _____ and After
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Executive Director

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TERMS AND CONDITIONS**Deposits**

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. The Company may offer customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first three normal billing periods. Service may be refused or discontinued for failure to pay the requested deposit.

Generally, deposits will be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with the Company), as well as historic and ongoing payment and credit history with the Company. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services. Satisfactory payment criteria with the Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service.

If a non-residential customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by the Company in its sole discretion, the Company may require a new or additional deposit from the customer. A new or additional deposit may also be required if the customer's classification of service changes or if there is a substantial change in usage.

Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to the customer's bills, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to the customer's bill prior to 12 months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to the customer.

Residential deposits will be retained for a period not to exceed 12 months, provided the customer has met satisfactory payment and credit criteria. Non-residential deposits will be maintained as long as the customer remains on service.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

DEPOSIT AMOUNT

Residential customers will pay a deposit in the amount of \$115.00, which is calculated in accordance with 807 KAR5:006 Section 7(1)(b).

Non-residential customers' deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar

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**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

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TERMS AND CONDITIONS

Deposits

customers and premises in the system. The deposit amount shall not exceed 2/12 of the customer's actual or estimated annual bill where bills are rendered monthly.


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1, 2004
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TERMS AND CONDITIONS

Budget Payment Plan

The Company's Budget Payment Plan is available to any residential customer or general service customer. Under this plan, a customer may elect to pay, each month, a budgeted amount in lieu of billings for actual usage. A customer may enroll in this plan at any time.

The budgeted amount will be determined by the Company and will be based on one-twelfth of the customer's usage for either an actual or estimated twelve months. The budgeted amount will be subject to review and adjustment by the Company at any time during the customer's budget year. If actual usage indicates the customer's account will not be current with the final payment in the customer's budget year, the customer will be required to pay their Budget Payment Plan account to \$0 prior to the beginning of the customer's next budget year.

If a customer fails to pay bills as agreed under the Budget Payment Plan, the Company reserves the right to remove the customer from the plan, restore the Customer to regular billing, and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.


Failure to receive a bill in no way exempts a customer from the provisions of these terms and conditions.

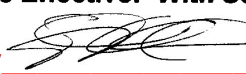
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Lexington, Kentucky**


**Executive Director
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TERMS AND CONDITIONS
Bill Format

Account Number: 000000-000 5 Page 2

BILLING INFORMATION

Franchise Fee: A pass-through of fees paid by the Company to municipalities for the right to serve customers located in those municipalities.

IMPORTANT INFORMATION

To request a copy of your rate schedule, please call 1-800-981-0600, and press 1-1-2-2-4-2.

New enrollment only - Please check box(es) below and on front of stub.

☐ Automatic Bank Club (voided check must be provided)

Please deduct my Automatic Bank Club payment from my Checking Account.

I hereby authorize KU to debit my bank account for payment of my monthly energy bill. This authorization will remain in effect until revoked by me or KU.

Signature _____


Date _____

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Michael S. Beer, Vice President
Lexington, Kentucky


By _____
Executive Director

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TERMS AND CONDITIONS**Discontinuance of Service**


In accordance with and subject to the rules and regulations of the Public Service Commission of Kentucky, the Company shall have the right to refuse or discontinue to serve an applicant or customer under the following conditions:

- A. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce the customer to comply with its rules and then only after the customer has been given at least 10 days written notice of such intention, mailed to his last known address.
- B. When a dangerous condition is found to exist on the customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify the customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.
- C. When a customer or applicant refuses or neglects to provide reasonable access and/or easements to and on his premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given 15 days written notice of Company's intention to discontinue or refuse service.
- D. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.
- E. When customer or applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.
- F. When directed to do so by governmental authority.
- G. Service will not be supplied or continued to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a person or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

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**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

**TERMS AND CONDITIONS
Discontinuance of Service**

- H. For non-payment of bills. The Company shall have the right to discontinue service for non-payment of bills after the customer has been given at least ten days written notice separate from his original bill. Cut-off may be effected not less than 27 days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than 30 days from the original date of discontinuance. The Company shall notify the customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.
- I. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means a customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to the customer may be discontinued without notice. Within twenty-four (24) hours after such termination, the Company shall send written notification to the customer of the reasons for such discontinuance of service and of the customer's right to challenge the termination by filing a formal complaint with the Public Service Commission of Kentucky. The Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. The Company shall not be required to restore service until the customer has complied with all rules of the Company and regulations of the Commission and the Company has been reimbursed for the estimated amount of the service rendered and the cost to the Company incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, the Company shall not be responsible for any damage that may result therefrom.

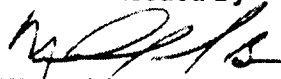
Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to the Company.

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**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

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TERMS AND CONDITIONS**Discontinuance of Service**

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When service has been discontinued for any of the above reasons, the Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to the Company.

The Company may defer written notice based on the customer's payment history provided the Company continues to provide the required ten days written notice prior to discontinuance of service.

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John R. McCall
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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
5/11/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: April 11, 2006
Canceling Original Sheet No. 90.1
Issued July 20, 2004

Issued By

Date Effective: May 11, 2006

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Executive Director

TERMS AND CONDITIONS

Special Terms and Conditions for Electric Service

(b) All new single phase electric wiring installations and all existing single phase wiring installations at the time of any alteration must be wired for a minimum of 120/240 volts, 3 wire, 100 ampere service; except an electric installation supplying a structure with useable floored area not in excess of 500 square feet, requiring not more than two branch circuits of 15 amperes capacity each, may be wired for 120 volts, 2 wire, 30 ampere service.

The Company reserves the right to require the balancing of the load on 3 wire systems.

(4) CONDITIONS OF RENDERING SERVICE

The Company shall have the right to refuse connection and at any time to discontinue service being rendered to any facilities if such facilities are not in accordance with the Company's Rules and Regulations. The Company, in rendering electrical service to the facilities of the Customer, shall be relieved from responsibility for any damage that may result from rendering such service. Disconnection shall not be considered as a cancellation of the agreement and shall not relieve the Customer of any minimum or other guarantees.

RULES PERTAINING TO MULTI-SERVICE INSTALLATIONS

If a Customer has need for a three phase power service and a single phase lighting or x-ray service at the same TRANSFORMER BANK LOCATION, these services may be metered through two secondary meters or one primary meter. If the service is metered through one primary meter, and if the Company owns any of the transformers, the service is to be billed on a secondary voltage rate.*

When two or more TRANSFORMER LOCATIONS are required, either single phase or three phase, three methods may be used to provide this service.

METHOD I: Secondary Rate - Secondary Metering

If the Customer requires service in more than one location and requests the Company to furnish service at each location, a separate meter and contract will be required for each service, each of these services to be billed on the rate applicable.

METHOD II: Secondary Rate - Primary Metering*

If the Customer requires service in more than one location, the Company will furnish the transformers (single or three phase) for one location. The Customer will own all other transformers, line and equipment to serve any other location. This service to be billed as secondary delivery on the best applicable rate.

In multi-service installations where the Company has provided one transformer installation (single or three phase), the original installation made is to remain the Company's location so long as service is required at this point. This installation subject to changes in capacity to be made by the Company, as required by the Customer's load.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

**Date Effective: October 1, 1980
July 20, 2004**

**Michael S. Beer, Vice President
Lexington, Kentucky**

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

TERMS AND CONDITIONS
Special Terms and Conditions for Electric Service

METHOD III: Primary or Transmission Rate*

If the Customer requires service in more than one location and the Customer elects to take this service at the primary or transmission voltage available for delivery at the Customer's location and also owns all transformers and facilities from one point of delivery, then the service may be metered and billed as primary or transmission delivery on the best applicable rate.

If the Customer does not wish to own the transformers and appurtenances thereto, the Company, at its option, may furnish standard type transformers and associated equipment upon negotiation of a facilities agreement with the Customer.

Pole lines may be furnished by the Company upon the negotiation of a facilities agreement when these lines are presently available, or when duplicate pole lines would otherwise be required by the Customer and the Company.

NOTE: * The Customer will maintain and service all facilities owned by him.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: October 1, 1980
July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

**LINE EXTENSION PLAN
For Electric Service****AVAILABILITY**

In all territory within the Company's service boundaries where adequate facilities do not exist to supply service to the Customer's needs.

DEFINITIONS


- (1) "Company" shall mean the Kentucky Utilities Company.
- (2) "Customer" shall mean the applicant for electric service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one Customer under this plan when the additional service request(s) is only for incidental or minor convenience loads.
- (3) "Line Extension" shall mean the facilities required to serve the applicant by the shortest most convenient route to the Company from the nearest adequate facilities to the delivery point excluding transformers, meters, and service drop, if required and normally provided like Customers.
- (4) "Permanent Service" shall mean service contracted for one year or more where the intended use is not seasonal, intermittent, or speculative in nature.
- (5) "Commission" shall mean the Kentucky Public Service Commission.

GENERAL

- (1) A Customer's requesting service which requires an extension(s) will furnish to the Company, at no cost, properly executed easement(s) for right-of-way across the property to be served.
- (2) The title to all extensions, right-of-ways, permits, and easements shall be and remain with the Company.
- (3) Where the Company is required or elects to construct an additional extension or lateral to serve a Customer(s), the Company reserves the right to connect to any extension constructed under this plan and Customer shall grant executed easement at no cost to Company across Customer's property for such additional extension or lateral.
- (4) Nothing herein shall be construed as preventing the Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically feasible the capital expenditure involved and provided such extensions are made to other customers under similar conditions.
- (5) The Company shall not be obligated to extend its electric lines in cases where such extensions, in the judgment of the Company, would be infeasible, impractical or contrary to good engineering or operating practice, unless otherwise ordered by the Commission.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004**Issued By****Date Effective: August 2, 1972
July 20, 2004**


**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

**LINE EXTENSION PLAN
For Electric Service**

LINE EXTENSIONS FOR PERMANENT SERVICE

(1) NORMAL EXTENSIONS

An extension of 1,000 feet or less of single phase line shall be made by the Company to its existing distribution line without charge for a prospective Customer who shall apply for and contract to use the service for one (1) year or more and provides guarantee for such service. The "service drop" to Customer premises from the distribution line at the last pole shall not be included in the foregoing measurements. This distribution line extension shall be limited to service where installed transformer capacity does not exceed 25 KVA. When Company extends service to a Customer who may require polyphase service or whose installed transformer capacity will exceed 25 KVA, Company may require the Customer to pay, in advance, a non-refundable amount for the additional cost of construction which exceeds that for a single phase line or where the installed transformer capacity does not exceed 25 KVA.

(2) OTHER EXTENSIONS

- (a) When an extension of the Company's line to serve an applicant or group of applicants amounts to more than 1,000 feet per Customer, the Company may require total cost of the excessive footage over 1,000 feet per Customer to be deposited with the Company by the applicant or applicants, based on the average estimated cost per foot of the total extension.
- (b) Each Customer receiving service under such extension will be reimbursed under the following plan: Each year, for a refund period of not less than ten (10) years, the Company shall refund to the Customer(s), who made the deposit for the excessive footage, the cost of 1,000 feet of extension in place for each additional Customer connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount deposited. No refund shall be made after the refund period ends.
- (c) For additional Customers connected to an extension or lateral from the distribution line, the Company shall refund to any Customer, who made the deposit for excessive footage, the cost of 1,000 feet of line less the length of the lateral or extension.

(3) SUBDIVISIONS

An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year, for a period of not less than ten (10) years, the Company shall refund to the applicant, who made the deposit for the extension, a sum equivalent to the cost of 1,000 feet of the extension installed for each additional Customer connected during the year. Total amount refunded shall not exceed the amount deposited. No refund shall be made after the refund period ends.

When electric lines are proposed to be built into a subdivision, which subdivision is subject to the jurisdiction of a public commission, board, committee or other agency which may zone or otherwise regulate the use of the land in the area and requires a plat (or plan) of the subdivision; the subdivider or those responsible for development of the project shall furnish the Company with a plat (or plan) of the subdivision showing street and lot locations with utility easement including restrictions as required.

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OF KENTUCKY
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07/01/2004
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SECTION 9 (1)**

Date of Issue: July 20, 2004

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**Date Effective: August 2, 1972
July 20, 2004**

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**LINE EXTENSION PLAN
For Electric Service**

Said plat (or plan) shall have been approved by above named group or agencies. If the agency so requires, said plat (or plan) shall also have been duly recorded in the office of the Clerk of the County Court of the county in which the subdivision is located.

In areas where no such group or agencies exist or has jurisdiction, the developer or subdivider will furnish the Company the required easement to provide permanent service to the subdivision.


(4) SPECIAL CASES

- (a) Permanent service requests for mobile homes will be provided under the Commission's Regulation 807 KAR 5:041, Section 12. As provided in Order dated August 9, 1991 in Case No. 91-213, the Company will not require contributions for that portion of mobile home line extensions between 150 and 300 feet.
- (b) Permanent service requests for underground construction may be provided under the Company's Policy governing the supply of electric service underground in compliance with the Commission's Regulation 807 KAR 5:041, Section 21, in connection with the immediately preceding paragraphs (1), (2) and (3).
- (c) When the service requested requires delivery at voltages of 34,500 and more or when the service requested is for seasonal, intermittent, or speculative in nature, a refundable advance may be required. When such an advance is required, a "Refundable Advance Supplemental Agreement" form, in the amount of the total cost of the extension, should be completed, executed by Company and Customer, and attached to the "Contract For Electric Service." The method of refund, as set out in the Agreement, is that the Company will repay in electric service to the Customer so much of the advance as would be represented by the sum of 20 percent of the Customer's net bill for electricity used during the first five years the Customer is served. The total amount refunded shall not exceed the full amount advanced and in such case as at the end of the 5-year period, the amount refunded does not equal the amount of the advance, then the Company will not be required to make up or pay the difference.

A non-refundable contribution may be required in cases where the Customer does not have a real need or in cases where the estimated revenue does not justify the required investment.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004**Issued By****Date Effective: August 2, 1972
Revised: July 20, 2004**


**Michael S. Beer, Vice President
Lexington, Kentucky**


Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

PURPOSE

To provide procedures for reducing the consumption of electric energy on the Kentucky Utilities Company (Company) system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, the Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that the Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of the Company's electric system or interconnected electric network or to restore service following an outage.

ENERGY CURTAILMENT PROCEDURE

PRIORITY LEVELS

For the purpose of these procedures, the following Priority Levels have been established:

- I. Essential Health and Safety Uses -- to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use
 - A. "Hospitals", which shall be limited to institutions providing medical care to patients.
 - B. "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
 - C. "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.
 - D. "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.
 - E. "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.
 - F. "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
 - G. "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential street, highway and signal-lighting services.

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

**Date Effective: May 1, 1996
July 20, 2004**

**Michael S. Beer, Vice President
Lexington, Kentucky**

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

The Company maintains lists of customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. The Company, lacking knowledge of changes that may occur at any time in customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be the customer's responsibility to notify the Company if he has critical needs.

II. Critical Commercial and Industrial Uses -- Except as described in III below.

III. Residential Use --The priority of residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.

IV. Non-critical commercial and industrial uses.

V. Nonessential Uses -- The following and similar types of uses of electric energy shall be considered nonessential for all customers:

- A. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
- B.. General interior lighting levels greater than minimum functional levels.
- C. Show-window and display lighting.
- D. Parking lot lighting above minimum functional levels.
- E. Energy use greater than that necessary to maintain a temperature of not less than 78 degrees during operation of cooling equipment and not more than 65 degrees during operation of heating equipment.
- F. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
- G. Energy use greater than that which is the minimum required for lighting, heating or cooling of commercial or industrial facilities for maintenance cleaning or business related activities during non-business hours.

Non-jurisdictional customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

CURTAILMENT PROCEDURES

In the event the Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps will be taken:

PUBLIC SERVICE COMMISSION
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7/20/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: May 1, 1996
Revised: July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

1. Customers having their own internal generation capacity will be curtailed, and customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit the Company's rights under the Curtailable Service Rider tariff.
2. Power output will be maximized at the Company's generating units.
3. Terminal voltage will be reduced close to minimum at Company's generating units.
4. Company use of energy at its generating stations will be reduced to a minimum.
5. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.
6. The Kentucky Public Service Commission, Virginia State Corporation Commission, and Federal Energy Regulatory Commission will be advised of the situation.
7. An appeal will be made to customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.
8. Voltage will be reduced at the distribution level (winter only - with a minimum of two hours notification).
9. Customers will be advised through the use of the news media and personal contact that load interruption on a rotating basis is imminent.
10. Load shedding will begin on a rotating basis in each of the Company's four operating divisions, giving consideration to priority levels where practical, applying the following concept:

Four, 400 MW blocks of load, identified as "A" through "D" will be selected for interruption, with each block containing the pro-rata share of each operating divisions' portion of the total Company load. Within each block, four 100 MW groups of circuits will be identified for interruption as follows.

- A. If up to a total of 100 MW of load reduction is required, each of the four 100 MW groups in block "A" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.
- B. If up to 200 MW load reduction is required, in addition to block "A", each of the four 100 MW groups in block "B" will be interrupted for a 15 minute period, and returned to service for 45 minutes.
- C. If up to 300 MW load reduction is required, in addition to blocks "A" and "B" each of the four 100 MW groups in block "C" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.

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07/01/2004
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SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: May 1, 1996
July 20, 2004

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- D. If up to 400 MW load reduction is required, in addition to blocks "A", "B", and "C", each of the four 100 MW groups in block "D" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.

Should the needed load reduction not require interruption of all four blocks ("A" through "D"), future load shedding will begin with the next block in rotation (i.e. if blocks "A" and "B" were interrupted, future load shedding will begin with block "C" and progress through "D", "A", and "B").

SERVICE RESTORATION PROCEDURES

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varies an unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, the Company will attempt to provide estimates of repair times to aid customers in assessing the need for alternative power sources and temporary relocations.

EMERGENCY TRANSMISSION CURTAILMENT OR INTERRUPTION OF SERVICE

In accordance with the provisions of Senate Bill 257 specifying changes to KAR 278.010 to 278.450, when the Company experiences an emergency or other event on its transmission facilities that necessitates a curtailment or interruption of service, the Company shall not curtail or interrupt retail electric service within its certified territory, except for customers who have agreed to receive interruptible service, until service has been interrupted to all other customers whose interruptions may relieve the emergency or other event.

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EFFECTIVE
07/01/2004
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SECTION 9 (1)**

Date of Issue: July 20, 2004**Issued By****Date Effective: May 1, 1996
July 20, 2004**


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Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004